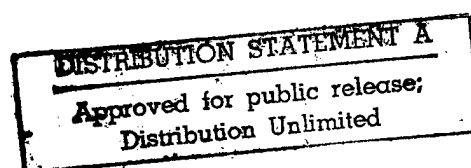


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Restructuring, Conversion of Robotika Factory

93BA0227A Sofia BULGARSKI BIZNES in Bulgarian
26 Oct 92 p 4

[Report by Venelin Malinov: "The Robotika Plant Is a Lesson to Our Conversion"]

[Text] In the past few months the military-industrial complex has become the apple of discord. A number of contradictions may be found in the extent to which conversion in the production process is taking place. For that reason, we must look at the experience of producers; although modest, such experience is quite indicative.

Until 1988 the Robotika plant in Velingrad was part of the Metalkhim system. The plant produced optical instruments used in a great variety of weapons. Its output had a good market in a number of countries.

That same year the situation changed radically. The decision was made to convert the output, and the plant became part of a company in Plovdiv, which currently bears the name of KAM AD. There is nothing reprehensible in that, as long as the economic results are good. However, it is obvious that the conversion plan was not specific from several viewpoints. First, no proper study was made of whether there would be demand for the new products to be manufactured. Second, as one of the plant managers noted, the conversion is costing a lot of money.

The necessary loan was obtained for the implementation of the decision: 3.8 million leva for capital construction and the same amount to be used as working capital. The production of medical equipment was organized—

sterilizers, dryers, and others. They did not find the necessary market, as a result of which Robotika owes the Economic Bank about 18 million leva. We are familiar with the way payments are made in such cases, so that the workers could still earn their wages. The degree of production decline is indicated by the fact that this defense plant has begun to produce grills for broiling meat. The former Soviet Union has also "contributed" to this poor condition. With the help of Elektroimpeks, goods worth \$305,000 were exported. At the present time, enterprises from the CIS [Commonwealth of Independent States] owe Robotika four million leva. According to the contracts, payments were to be made in dollars. This was subsequently converted to clearing dollars. At one point there was talk of drawing up lists of uncollectible loans. Efforts were made through Vneshinkombank to be paid in rubles and use them to purchase goods. None of this yielded results. One month ago, another 120 people were laid off. The employed personnel has dropped to 200 from an initial 550. Those who are still employed are not sure that this is to their advantage, for they work half-time and earn between 400 and 500 leva.

The Robotika plant is a typical example of hasty conversion. According to enterprise managers, total conversion would be inappropriate. The first reason is that this requires a great deal of money. The second is that it is difficult to produce competitive goods. The altruism displayed by some countries concerning our conversion is of a questionable nature.

The legitimate question is whether we are not making a mistake by losing our traditional markets....

Havel's Acceptance Speech at Institut de France*93CH0111A Paris LE MONDE in French 29 Oct 92 p 4*

["Text" of Vaclav Havel's speech delivered on the occasion of his election as a member of the Academy of Ethics and Political Science in Paris on 27 October 1992: "Godot Will Not Come, Because He Does Not Exist"]

[Text] We publish herewith the complete text of the acceptance speech delivered by Vaclav Havel at the Institute of France on Tuesday, 27 October, on the occasion of his admission as a foreign associate member to the Academy of Ethics and Political Science. [The subheads are supplied by LE MONDE.]

Ladies and gentlemen:

I come here among you from a country that for many years was waiting for its freedom. Allow me to take this occasion to offer some brief remarks on the phenomenon of waiting.

There are several forms of waiting.

Waiting for Godot—As the embodiment of deliverance or universal salvation—is situated at one end of the broad spectrum of the various forms of waiting. The type of waiting practiced by many of us who were living in the Communist universe was often—in fact, always—close to this extreme position. Encircled, hemmed in, and colonized from the inside by the totalitarian system, individual human beings lost every hope of finding a way out, lost the will to act, and lost even the sense of being able to act. In short, they lost hope.

And yet they did not lose the need for hope. In fact, they could not lose it, for without hope life loses its meaning. That is why they were waiting for Godot. Lacking any hope in their hearts, they put their faith in a vague salvation that would come from the outside. But Godot—the object of their waiting—never came, simply because he does not exist and is merely a substitute for hope. The product of our impotence, he is not hope but rather an illusion—a piece of cloth that is designed to mend a broken heart but is itself full of holes. It is the hope of someone who has no hope.

At the other end of the spectrum, there is another form of waiting: waiting construed as patience. This type of waiting is driven by the belief that to resist by speaking the truth is a matter of principle, quite simply because one should do it, without calculating whether tomorrow—or ever—this commitment will bear fruit or be in vain. It is a type of waiting strengthened by the conviction that regardless of whether this rebel truth will ever be materialized—without knowing if one day it will triumph or if, as on so many previous occasions, it will be stifled—repetition of the truth will have a meaning of its own, be it only a disruption of the reign of the generalized lie.

A State of Hope

In the second place, however, there is a kind of waiting that is inspired by the conviction that the seed sown will take root according to plan and sprout some day. No one knows when. Some day. For the benefit of future generations, perhaps. This attitude—which, to put it simply, we shall call dissidence—presupposed and cultivated patience. It taught us to be patient. It taught us to wait; taught us waiting construed as patience. Waiting as a state of hope, rather than as an expression of despair. One could say that waiting for Godot is senseless, that it is self-deception and therefore a waste of time, whereas this other method of waiting does make sense. No more the gentle lie, but a bitter life—a life of truth—that no longer wastes time but fulfills it.

Waiting for the seed to sprout—which in principle is a good thing—is quite different from "waiting for Godot." Waiting for Godot is the same as waiting for the flowering of a lily that we never planted.

Let us avoid any misunderstanding. The citizens who lived in the Communist world were not divided into two groups: those who were waiting for Godot, on the one hand, and the dissidents. We were all, to some extent, sometimes among those who were waiting for Godot and sometimes among the dissidents, with some of us opting more (and more often) for the former solution and the others for the latter solution. It is nonetheless possible to reduce this experience to the realization that the two forms of waiting are not of equal value. These thoughts of mine do not, to be sure, derive from a pressing need to evoke the past nostalgically. They should lead me to discover what this experience means for the present and for the future.

Taking Responsibility Wisely for the Past

Allow me to speak for a moment in the first person. Although I am an experienced practitioner of this ability to wait patiently that characterizes the dissidents and am convinced of its profound meaning these past three years—that is to say, since the peaceful antitotalitarian revolution—I was nevertheless sinking deeper than ever into an impatience bordering on despair. I was tormented by the thought that the changes were taking place too slowly, that my country still had no new democratic constitution, that the Czechs and Slovaks still had not reached an agreement concerning their coexistence in a single state, that we were not drawing closer rapidly enough to the Western democratic world and its structures, that we were not capable of taking responsibility wisely for the past, and that we were moving too slowly in eliminating the vestiges of the old regime and all its moral desolation.

I was hoping desperately that at least one of these objectives would be achieved in order to be able to erase it from the list as a problem solved and, therefore, liquidated, and in order that the effort I made at the head of the nation would finally produce a visible, incontestable, tangible, and undeniable result—in other words,

something completed. I had difficulty resigning myself to the idea that politics was an endless process, like history—a process that never allows us to say that something is finished, completed, and ended.

As if I had quite simply forgotten to wait—to wait in the only way that has meaning.

Today, with my retirement, I have plenty of time to think about this—and I am beginning to understand that my impatience had made me succumb precisely to that which I had already submitted to critical analysis. I was succumbing to the kind of very destructive impatience that is characteristic of modern technocratic society, imbued with its rationality, persuaded wrongly that the world is nothing more than a crossword puzzle that had only one correct solution—a so-called objective solution—to the problem: a solution for which I was the only one to set a date.

Without my realizing it, I was succumbing *de facto* to the perverse certainty that I was the absolute master of reality—the master whose only vocation would be to achieve this reality in accordance with a ready-made formula. And because it was up to me alone to choose the moment, there was no reason not to do it immediately.

In short, I believed that time belonged to me.

That was a big mistake.

The fact is that the world, Life [l'Étre], and history are governed by a time that is uniquely theirs and in which we can—it is true—intervene in a creative fashion which, however, no one has mastered completely. The world and Life do not blindly obey the injunctions of a technocrat or a political technician; they do not exist for the purpose of making the forecasts of technocrats or political technicians come true.

They rebel against the time system of the technocrats and political technicians, just as they do not accept the destructive explanation offered by the latter. Accordingly, while the world, Life, and history have their surprises and their secrets, which catch modern reason—which is basically rationalistic—off guard, they likewise follow a tortuous and underground trajectory that is uniquely theirs. To want to suppress this impenetrable “tortuosity” with an infernal barrage entails plenty of risk, ranging from the loss of ground water to the tragic changes in the biosphere.

In reviewing my political impatience, I am forced to the conclusion that the politician of today and tomorrow—allow me to use the concept of a “postmodern politician”—must learn how to wait, in the best and most profound meaning of the word, for it is no longer a question of waiting for Godot. This form of waiting should reflect a certain respect for the intrinsic movement and development of Life and for the nature of things and their independent existence and dynamics, which are resisting all types of violent manipulation. This form of waiting should be based on the desire to

accord every phenomenon the freedom to reveal its own foundations, its true substance. The behavior of the postmodern politician should not derive from an impersonal analysis but from a personal vision. Instead of being based on pride, it should be nourished by humility.

Understanding the World

The world rejects absolute control, thereby distinguishing itself from a machine, just as the world cannot be reconstructed from top to bottom on the basis of any technical concept. Those utopians who think it can be will in the end cause terrible suffering. When reason—thus detached from the human spirit, which is inherently unique—sets itself up as the principal engine of all political acts, it cannot help but lead to violence.

The world is rebelling against the regulation imposed by the brain, which seems to have forgotten that it is only a modest part of the infinitely rich architecture that is called the world. The more the world—through austerity and impatience—is confined to rational categories, the greater are the explosions of irrationality with which it surprises us.

Yes, I myself—a sarcastic critic of all the arrogant interpretations of this world in which we live—had to remind myself that it is not enough to explain the world: One must also understand it. It is not enough to burden it with its own words: One must lend an ear and listen to the “polyphony” of its messages, which are often contradictory. It is not enough to describe in scientific terms the mechanism of matters and phenomena: One must feel and experience them in their very essence.

One cannot rely solely on the timetable that we have set for our action in the world, but one must also honor a timetable that is infinitely more complex—the one that the world imposes on itself and that is an integral part of the thousands of independent timetables that govern an infinite multitude of natural, historical, and human phenomena.

One cannot wait for Godot.

Godot will not come, for he does not exist.

It is, moreover, impossible to invent Godot. The standard example of an imaginary Godot—the one who finally arrived but was therefore a fraud, the Godot who pretended to save us but merely destroyed and decimated—was Communism.

I accordingly concluded—to my horror—that my impatience for the reestablishment of democracy was itself somewhat communistic. Or—more generally speaking—somewhat rationalistic, reflecting the unity of the Age of Enlightenment. I had wanted to move history forward in the same way that a child pulls on a plant to make it grow faster.

I believe that you must learn to wait in the same way that you learn to create. You must patiently sow the seed,

water the ground frequently where the seed is sown, and give the plants the time they need to grow.

One cannot deceive a plant any more than one can deceive history. You can water it, however—patiently, every day. With understanding, with humility, to be sure, but with love.

"I Come From a Country of Many Impatient People"

If the politicians and the citizens learn to wait—in the best sense of the word—thereby demonstrating their high regard for the intrinsic order of things and its unfathomable depths, and if they understand that everything has its own time in this world and that the important thing—over and beyond what they expect from the world and from history—is also to know what the world and history are expecting in their turn, then humanity will not come to such a bad end as we sometimes think it will.

Ladies and gentlemen:

I come from a country of many impatient people. They are perhaps impatient because they had waited so long for Godot and had a feeling that he had finally arrived. It was as monumental a mistake as was their waiting. Godot did not come, and that is a very good thing, because if a Godot had come it would merely have been the imaginary Godot—the Communist Godot. What had to mature did mature, however. The fruit would perhaps have matured earlier, if we had known enough to water it better. We have only one task: to convert the fruit of this harvest into new seeds and water them patiently.

There is no reason to be impatient, if the sowing and the watering are done well. It is enough to understand that our waiting is not meaningless.

It is a form of waiting that has meaning because it is generated by hope rather than by hopelessness—by faith rather than by despair, by an attitude of humility toward the time of this world rather than by fear—and because its serenity is not accompanied by boredom but by tension. It is a form of waiting that is more than mere waiting.

It is living—living construed as joyous participation in the miracle of Life.

Thank you for your attention.

Havel-Klaus Relationship Described, Evaluated

93CH0183A Prague RESPEKT in Czech No 47,
23-29 Nov 92 pp 2, 3

[Article by Boris Lazar: "Premature Tribute to the Future Czech President"]

[Text] The postcommunist intellectuals did not fail because they did not know how to govern but because they were unable to identify the new realities. Today were are faced with a simplified interpretation of the

realities—a choice between a "granite," pragmatic prime minister and a charismatic candidate for president, a humanist who should give the nascent Czech state a "human dimension" that transcends the tiring and shallow daily routine.

The criticism of dissent, now usually phrased as criticism of "romantic intellectuals," is misleading and a stalemate. Misleading because it interprets the basic theory of dissent as a subjective solution, an answer for a small group of individuals, and a stalemate because, in rejecting these theories, we deny the continuity of post-communist development. In fact, the apparently idealistic and abstract ideas of the dissidents found their pragmatic confirmation in the fall of communism, which was foreseen and initiated by dissent. The apparently pragmatic ideas of the present ODS [Civic Democratic Party] are no less visionary than the ideas of the dissidents.

The conflict between Vaclav Havel and Vaclav Klaus is not due to the difference between a charismatic and a pragmatic personality. It is a feud between two visionaries; and Vaclav Klaus, not Vaclav Havel, embodies the visionary views of the present Czech society.

Havel's fundamental thought was the discovery of the term "emancipated ideology," i.e. an ideology that subordinated every imaginable actuality, even power itself, and that was no longer able to produce anything more than repeatedly senseless images of its own self-projection. Vaclav Benda then took Havel's analysis to its logical conclusion in his "parallel polis" when he suggested the creation of parallel structures, nonideological societies, which would rediscover the meaning of their own existence. This answer was by no means limited to culture; it affected the whole spectrum of human existence and is still valid today. With the fall of communism, the concept of "parallel polis" not only did not lose its relevance, but it acquired a society-wide dimension: The postcommunist society expected this idea somehow to be realized; as an integral part of their liberation, the people wanted to experience reality as something that had a meaning and aimed at a specific goal.

Democracy or Prosperity

The quickest end to the "gentle revolution" came in the former GDR where—still in the midst of the initial enthusiasm—demonstrators appeared with posters stating: "Either the [German] mark will come to us, or we will go after it!" Since they found themselves in Western society from the very beginning, they not only gave up the "third road," but also experiences gained from their own 40 years. It became evident that this decision caused a crisis of identity in the society and this crisis became unresolvable. One of the fundamental questions today is: To what extent does democracy depend on prosperity in the present culture, and how will society react if democracy does not bring prosperity?

Czech society followed its own path of trial and error, and at least attained a situation where the crisis of identity did not culminate in a crisis of democracy. We are indebted both to Vaclav Havel and to Vaclav Klaus for this.

Havel's contribution is primarily rooted in the fact that he also found positive experiences in the communist regime, whereby he was able to add a society-wide dimension to the experiences of dissent; in other words, he did the exact opposite of what he was accused of doing by his critics. The fact that his "preaching" was understood better in the West than at home should give us pause for thought. Western political scientists are beginning to use the term "spiritual politics" and are talking about the fact that this should become the politics of the next millennium. For the time being, this is a lobbyist term and has no clear definition, but it is the beginning of a trend that is the exact opposite of pragmatism, which has been elevated to a principle.

Havel's shortcoming was not that he theorized too much, requested new uniforms for the Hradcany Guard, etc. The former Czechoslovak president's basic mistake was his frequently stated aversion to political parties and state organizations, his attempt to be both a president and simultaneously a tribune of the people. The demonstration against the "iron curtain" on the Polish border, led by Havel and the former foreign minister (incontestably the second in command in the state) in spring 1990 against his own, already weak, Federal Government, still ranks among the most absurd events that we have experienced in this state. The memory of this embarrassment could cure us of the desire for a president who considers himself to be above parties: Our future president may be nonaligned but he may not be above the parties.

Visionary and Ideologist

Vaclav Klaus was the first to understand and fulfill the need of the Czech postcommunist society to have a specific ideal. His vision begins with the founding of the ODS. There is no parallel to a conservative party based on the civic principle either in the Czech lands or throughout Central Europe. This is because similar parties in this region were linked with Christianity in one way or another; the concept of a subject, which is the foundation of conservatism, was derived from this ideology and not from the civic principle.

Klaus, as an ideologist, succeeded in making unpalatable ideas (economic reform, coupon privatization, etc.) accessible and in disseminating them; as a financial expert, he succeeded in doing what no one else has done in the postcommunist world: He created and maintained a stable currency.

However, Klaus is a person who simultaneously unites and divides society. It is typical of him that he failed to integrate the right wing yet succeeded in uniting leftist forces against him. His contempt for liberally oriented intellectuals is incomprehensible: Sermonizing and

"generic" castigation of journalists is at least as stupid as generically screening them. It is this kind of emotion which reveals that Klaus is truly a visionary and not a pragmatist.

The highest virtue of liberalism is the freedom of the individual, whereby the liberal intellectual always primarily has himself in mind as the "individual." Such an attitude can sometimes justifiably be considered to be egoistic and even spineless; nevertheless, no democratic society can do without people who advocate it. A liberal, defending his own freedom, is simultaneously the custodian of the freedom of the whole society.

The President Is Not the Opposition

The greatest shortcoming of the Czech political scene is the fact that there is no leftist democratic alternative. It is becoming apparent that the postcommunist society's road toward democracy is dependent on the existence of noncommunist elites and the extent to which they are prepared to lead the society and to install different standards than those of the communists. In countries where such elites do not exist and where society continues to be led by former communists, the transition to democratic conditions is a matter for future generations. It seems that this theory also applies to the Czech left wing: The future generation of Czech left wing politicians will apparently be the first to realize that one of the conditions of governing is the willingness to share government, i.e., that a change in government must not mean a change in regime.

The conclusions to be drawn from this situation are that democratic opposition must be replaced by something else. This role is partly fulfilled by liberally oriented journalists. But it would be a mistake if the future Czech president became a party to this. The leading citizen in the Czech state should be true to Klaus' vision—whether we like it or not, it is the only rational vision for Czech society. Above all, however, he must be prepared to act in a nation-building way. And this will demand much more shrewdness and self-denial than the present candidate has shown so far.

Dienstbier Sees Little Gain in Separation

93CH0202A Prague LISTY in Czech No 5, 1992 pp 8-9

[Unattributed interview with Jiri Dienstbier, former federal minister of foreign affairs; place and date not given: "In Essence, It Is Pure Nonsense"]

[Text] [LISTY] It cannot be expected that you would be welcoming the upcoming breakup of Czechoslovakia. However, could you be specific with regard to your reservations?

[Dienstbier] I consider the breakup of our state to be pure nonsense. At the time of European integration, we are disintegrating, we are neglecting the principle of western unification, and are becoming part of the eastern disintegration. We had a great opportunity to create a

state in which various nations and nationalities collaborate. It could have been an extraordinary success, significantly improving our international authority, it could have been a good example for the future stabilization of central Europe. Instead, we are becoming—at best—part of the postcommunist world in which disintegration is customary.

[LISTY] Is not this undoubted loss balanced by future advantages?

[Dienstbier] I consider the notion that the Czech Republic would somehow benefit from the rapid independence of both of the republics to be highly naive. We will benefit from nothing and the very process of separation will be neither fast nor simple.

Moreover, the danger arises that our entire problem will acquire an ideological character. Constant claims that we should have "either democracy or a common state," or possibly a "functioning economy or a common state" are contradictory. The simplified division of social alternatives into either-or merely serves to prolong the black-and-white vision characteristic of past decades. Moreover, if we contend that either things go our way or they will lead to something worse, we are saying that the other nation is less capable, more stupid, and this does not contribute to good relationships for sure.

[LISTY] Therefore you favor the view: Do not separate?

[Dienstbier] If the victorious political representation in Slovakia is demanding international legal sovereignty, then that requires two states. To the extent to which they insist on it, nothing else can be done other than to have two states—after all, we will not be playing the role of Slobodan Milosevic. I am not just saying this for the first time today; two years ago, I was already favoring the idea that if the Slovak nation wants independence, it has a full right to have it. I only reserve the right to state that this is harmful both to the Slovak people and also to the Czech nation. From all standpoints: economically, security-wise, and, finally, even from the psychological standpoint. Instead of strengthening our soul, which was weakened by past social developments, we are threatening our specific material desires.

[LISTY] You speak of the need to strengthen the soul. However, is this only a matter of our moral health?

[Dienstbier] Of course not. In the end, our foolish position will also have broader consequences. If, today, countries which are pursuing a policy of making public savings are contemplating closing their representative offices in Prague, but not in Budapest, Warsaw, or even in Vienna, we cannot consider this to be a hostile gesture but a manifestation of the fact that they consider us to be the least important of these four countries. And this is not a matter of some kind of catastrophic vision, but a matter of fact which, in one case, is already virtually accomplished and in two other cases is likely.

Or let us say it otherwise: The European Community would hardly be imposing import quotas on us if it felt the need to support a country which had extraordinary integrational significance. The Community would certainly not wish to complicate that country's life. But if that country complicates its own life, then the reasons for favoring that country fall away. The same is true of investments and everything else.

[LISTY] In other words, what is involved here is our reputation in the world or, as the saying goes, our image?

[Dienstbier] Yes, that wonderful image which Czechoslovakia created over the past two years is now being most intensively lost. Some people contend that a notion regarding our country, that our calling card is not all that important; but the opposite is true: Perhaps these are the most important factors of all. This is true of a state much like it is true of a small businessman. I either believe that Mr. Novak [Smith] is capable, industrious, and trustworthy, or I believe him to be inept, slovenly, a person who cannot come to agreement even with his neighbor. And so I trade with him, but I would rather not trade with him.

First impressions are very important. Insolvency and similar matters are only verified by a partner after he acquires basic confidence and interest.

[LISTY] After all, our country had a good reputation in the world as far back as many years ago.

[Dienstbier] Czechoslovakia was valued throughout the world from many standpoints. For example, because the Holland tunnel from Manhattan to New Jersey was tiled with tile made in Rakovnik. We had a good reputation in all matters and it is interesting that even today, after 50 years, such trademarks as Skoda or Praga are known in Latin America, Asia, or the South African Republic, which is a developed country. If you speak with people from those countries, they react immediately: "Oh, yes, Skoda! Let us hope that it will once more be like it used to be. My father never bought any other machines."

[LISTY] However, in addition to the depressing balance of profits and losses, there is another question which is very much debated today: Can the representatives of two victorious political parties afford to partition the state?

[Dienstbier] At this point in time, I do not wish to criticize anybody because I know how difficult the situation is. If the demand for international sovereignty was raised, it must be respected and there should not be an argument over several years as to whether we should have or should not have one or two entities.

At the same time, however, I consider it to be dangerous to contend that the separation will be settled rapidly. I would also place more emphasis on the creation of a joint future platform than upon the separation, irrespective of whether this would involve collaboration between two independent states or a union or confederation, etc. Definitely, the relationship between the Czech Republic

and Slovak Republic should not be at a lower level than those which exist in the European Community. If both of the republics wish to enter that Community—and if we take into account the close ties between our two economies, it is difficult to visualize that we might accomplish anything else—any mutual separation which is greater than that which we anticipate within the framework of the European Community is unthinkable. We would retain our legislatures and valid economic rules would be gradually adapted to this future. In short, greater attention should be devoted to future positive covenants.

[LISTY] In view of the necessary sequence, is not this positive side secondary in importance? Will it not be settled until after the separation?

[Dienstbier] I am curious as to how. At a time when we will no longer have any mechanisms to accomplish this? At a time when all will depend only on the goodwill of two or four people who might come together prepared to discuss the division of property? And there is no reason for doubt that the primary matter at stake will be property.

I believe that the Czech side, in an effort to see everything occur as rapidly as possible, is forthcoming; sometimes I ask myself whether it is not overly forthcoming. I understand that it is unsuitable to haggle over every koruna, but one should proceed in a serious manner and I hope that this will actually be done. In no event should questions which are or could be vital to both countries be deferred to the time "after separation."

Politicians Comment on Law Abolishing CSFR

93CH0202B Prague HOSPODARSKE NOVINY
in Czech 26 Nov 92 p 2

["Compilation" of commentaries by ci, CTK, TA SR:
"What They Said Regarding the Demise of the State"]

[Text] In connection with yesterday's adoption of the constitutional law on the demise of the CSFR by the Federal Assembly, the chairman of the Czech National Council, Milan Uhde, told reporters that, according to his view, this fact in no way alters the legislative program of the Czech National Council. He stated that it is necessary to increase the intensity of work being done on a Czech constitution.

The Federal Assembly law on the demise of the Czech and Slovak Federal Republic is, according to Chairman of the Slovak parliament Ivan Gasparovic, "in a certain sense in conflict with the Constitution of the Slovak Republic." He was reacting to the provision of that law according to which, as of 1 January 1993, legislative power in both republics would be vested in legislative assemblies composed of delegates who were elected on the territory of both republics to the Federal Assembly and the National Council and to the provision that the

internal conditions of these legislative bodies are established by republic laws. "If we accept this, we must issue a new constitutional law on a second chamber of the National Council of the Slovak Republic—this means that the Constitution of the Slovak Republic must be amended," stressed I. Gasparovic.

The prime minister of the government of the Slovak Republic and chairman of the HZDS [Movement for a Democratic Slovakia], Vladimir Meciar, called the method by which the CSFR would split into two independent states highly cultural and unprecedented throughout the world at an afternoon meeting with more than 2,000 inhabitants of Kosice. He stated that the most important factor in the upcoming revolutionary year was the revitalization of business activities and the preservation of the stability of the koruna. Both republics would begin with a common currency; however, within the course of six months, they are supposed to be prepared to issue their own money, exchangeable at a ratio of 1:1. The subsequent development of the rate of exchange, however, will depend on the development of the two economies. The starting situation of Slovakia, according to V. Meciar, is worse than that of the Czech Republic, but development programs are more promising.

According to a position paper presented yesterday by Jan Carnogursky, chairman of the KDH [Christian Democratic Movement], the KDH, from the beginning, favored the view that the separation of the CSFR should be decided by citizens in a referendum. The chairman recalled that, with respect to this question, the KDH remained consistent to the last moment. If now the parliament has adopted the law on the demise of the CSFR without the possibility of presenting this question to a referendum, the delegates of the KDH voted against the proposed law. The Christian Democratic Movement realizes that the adoption of the constitutional law on the demise of the CSFR and the birth of an independent Slovak Republic to be an irreversible act. It will bring to bear all efforts to see to it that the Slovak Republic is a prospering state, a democratic state, and a state of law, which is accepted in the international community.

Former Czechoslovak President Vaclav Havel considers the adoption of the law on the demise of the federation to be very good because it provides a constitutional framework for the entire process of dividing Czechoslovakia and strengthens its credibility. "Dividing the state against the will of its highest representative assembly would be highly detrimental to the standing of both follow-on states," said Vaclav Havel yesterday.

The chairman of the Federal Assembly, M. Kovac, does not consider that the votes of the opposition delegates in

favor of adopting the law were bought. He characterized it as a victory of reason because the delegates understood that the demise of the federation is irreversible and any other solution would not only run counter to their interests, but mostly against the interests of the citizens. By the opposition delegates casting as many votes as were necessary and by the others abstaining or voting against, they demonstrated their solidarity with their programs and election goals, but even with their voters who gave them their votes, M. Kovac said.

In the words of Jan Kalvoda, deputy prime minister of the Czech Government, the proposed law on the demise of the federation, which was adopted yesterday within the Federal Assembly, is virtually identical with the government proposal of the law. "To the extent to which this is so, I acknowledge it," said Jan Kalvoda yesterday. He stated that the Federal Assembly thus accomplished its final step and expressed the opinion that it had no other function except to proclaim something which is "politically absolutely irreversible."

In the event the law on the demise of the federation had not been approved, some parliamentary officials were considering calling a meeting of all 174 Czech delegates to the Federal Assembly. Yesterday, one of the initiators of this meeting, Vaclav Benda (KDS [Christian Democratic Party]), chairman of the People's Chamber of the Federal Assembly, announced this fact. As Benda confirmed, the gathering of Czech delegates of the Federal parliament was intended, after the law on the demise of the federation failed to gain approval, to express the support of the Czech Government and the Czech National Council and to express support for Czech independence. Delegates were supposed to meet immediately following the unsuccessful voting on the law on the demise of the federation.

The chairman of the KSCM [Communist Party of Bohemia and Moravia], Jiri Svoboda, is convinced that the date of 25 November 1992, which saw the Federal Assembly approve the law on the demise of the CSFR, will enter the common history of Czechs and Slovaks, much like the execution of Czech nobles did in 1621, the establishment of the joint state on 28 October 1918, the Munich Accords of 1938, the confirmation of the Yalta and Tehran Agreements of 1948, and the aggression by the military elements of the Warsaw Pact on 21 August 1968. "In all of the above historical periods, the governing politicians believed that the solutions adopted by them were valid forever."

The Roman Catholic Church in the Czech and the Slovak Republics has been clearly separate, historically, in terms of property and has been virtually independent

in terms of economic pursuits, so that according to the press spokesman for the Conference of Bishops of the CSFR, Miloslav Fiala, there are no disputed questions regarding the division of Federal property.

Carnogursky Voices Concern About Democracy

*93CH0137A Bratislava SLOVENSKY DENNIK
in Slovak 11 Nov 92 pp 1, 3*

[Interview with Jan Carnogursky, Christian Democratic Movement chairman and former Slovak prime minister, by Peter Toth; place and date not given: "Former Prime Minister Discusses Government of the Slovak Republic"]

[Text] [Toth] Slovakia's experience with democracy does not go far back, and democracy does not have an old tradition in our country. In spite of that we hoped that after two years our democracy would be more consolidated than it actually is—it stands, as it were, on wobbly legs. How do you, Mr. Carnogursky, view the situation of democracy in Slovakia?

[Carnogursky] In formalistic terms, the principles of democracy so far have not been violated in Slovakia, but the government is taking steps that after a while could lead to conditions under which such formal principles would become ineffective. By that I mean the replacement of personnel according to political criteria not only in the ministries but also in districts, in the hospitals, in the educational system, and so on.

We in Slovakia must realize that formal democratic principles by themselves are no guarantees of democracy. Democracy is secured if the citizens are always ready to demand their rights as well as the rights of others whenever they may be violated. If the citizens are not willing to become so involved, even, if need be, at the risk of making certain sacrifices, democracy cannot be secure.

If I may mention one rather negative example: We must stop and consider why there were no chancellors of any other Slovak university present at the celebrations at the opening of the University of Trnava, although about ten representatives, including chancellors, of the Czech and Moravian universities attended, as did a former chancellor of the university of Vienna, a professor of a British university, and so on. I keep asking myself whether the chancellors of our Slovak universities were afraid to come to the opening of the University of Trnava or whether they simply did not care if the University of Trnava is closed or not. Even if the University of Trnava is closed today, no one can guarantee that some other university will not be closed down or at least that some other university will not be forced to accept another chancellor.

[Toth] From the perspective of a former prime minister, how would you characterize the political line of the current government in terms of internal state policies?

[Carnogursky] The government is excessively focused on such prestigious questions as the Constitution and the Declaration of Sovereignty and has neglected specific practical tasks, for instance, the drafting of several laws. To date, only some incomplete legal amendments have been submitted to the National Council of the Slovak Republic, but no new laws stipulating, for example, economic policies. The government acts as though it regarded every criticism of its operations as an act of subversion against the state, a slander of Slovakia, and so forth. The privatization program was halted and thus far, the government has failed to present any specific plan for privatization to continue. This will lead to a situation where managers of state enterprises, would go to the government whenever their establishments find themselves in a financial squeeze, and demand financial subsidies from the state budget. Otherwise, they would threaten with social unrest.

[Toth] On several occasions recently members of the government have traveled abroad. How do you rate their trips and their achievements? Do you think that they helped enhance Slovakia's visibility?

[Carnogursky] Prime Minister Meciar made only one visit abroad upon an invitation from the prime minister of the Hungarian Republic, Jozsef Antal. His other foreign trips were made upon the invitation of semigovernmental or nongovernmental organizations or he visited Germany with several other statesmen in conjunction with the opening of the Rhine-Main-Danube channel. That is distinctly different from the trips made by the Czech Prime Minister Vaclav Klaus who gets invitations to visit from the prime ministers of other states. This fact confirms that Slovakia's status abroad is not good.

Thus far, the results of those trips are not known, which means that those trips have not achieved anything in particular.

[Toth] What should our government—diplomacy—in the Economic Community do in the matter of Gabčíkovo?

[Carnogursky] For me it is difficult to make any judgment about the matters that way because that depends on many details with which I am not familiar. The damming of the Danube was technically inevitable; it was done by the contracting organizations on the basis of a decision issued by my government. I think that it may be good to agree with the inclusion of the European Community in the solution of the problem of Gabčíkovo but that involves a risk that another authority could make decisions about a project located on our territory.

[Toth] Not so long ago you had a confrontation with Prime Minister Meciar in the National Council of the Slovak Republic when you asked him what were the results of operations of his government. Meciar responded in a harsh way....

[Carnogursky] The questions I posed to the prime minister stemmed directly from his report on his domestic and foreign policy which he had presented to the National Council of the Slovak Republic. In his report he described the development of the constitutional system as though he had offered the Czech side quite a variety of proposals; he even stated that he had also proposed a federation but that the Czech side was not willing to accept his proposal. That may be true but why cannot he find a partner on the Czech side to conclude other agreements than on the splitting of the state? In my view, the fundamental reason is that nobody on the Czech side trusts him anymore. First, he concluded an agreement with the Civic Democratic Movement to split the state as of 1 January 1993; then he discussed another system (union) with the Czech left wing; next the deputies of the Movement for a Democratic Slovakia voted in the Federal Assembly to appoint a commission which was supposed to study the creation of the union, and again, he declared several days later that the proposals about the union were a misunderstanding; he fired from the office of the government an employee who had sent to the Czech government materials from the discussion of the Slovak government about the union, but at the meeting in Jihlava he again confirmed with Klaus the decision to split the state as of 1 January 1993. In that I see the main reason why he cannot find any partner on the Czech side.

[Toth] What do you think about the transfer of the deputies from the Federal Assembly to the national councils? That would certainly improve the position of the Christian Democratic Movement in the parliament. Will you support such a transfer?

[Carnogursky] We respect our deputies in the Federal Assembly whom Slovakia's citizens elected to that office. They are experienced and competent individual and it would be a shame to let their skills go to waste. On the other hand, we are not specifically bound by any solution concerning their position and therefore, we are ready to cooperate with other parties, including the Movement for a Democratic Slovakia, in determining the future status of those deputies. We would also agree with their transfer to the National Council of the Slovak Republic.

Deputies on Controversy About Czech Republic Flag

93CH0166A Prague ZEMEDLSKE NOVINY
in Czech 25 Nov 92 pp 1, 4

[Interview with Rostislav Novy and eight deputies of the Czech and Federal Assemblies by Alex Faix in Prague; date not given: "The 'Wedge' of the Flag's Blue Wedge"]

[Text] Few people know how to say anything specific about not only the future but particularly the history and tradition of our state flag. The colors of the flag have especially been explained many times in various manners and we therefore asked Dr. Rostislav Novy for an explanation of the history.

He said, "In the 1990 law on the state symbols it was stated that the blue color of the wedge on the flag symbolizes Slovakia. The historical reasons were mainly in the origin of the Slovak coat of arms. This was created in 1848 by taking over and modifying the Hungarian coat of arms, that is, a blue triangle with a white cross superimposed on a red field. Of course, it is a fact that the coat of arms of Moravia is older. We have its shape, without colors, from as early as the middle of the 1240's. Now it is a blue shield on which is placed a white and red checkered spread-eagle. If the federation's flag is abandoned on 31 December, then the Czech Republic has every right to ask for this flag for itself since Moravia's claim is about 600 years older. From the standpoint of any kind of heraldic right, this is fully within their authority."

It is just this blue wedge on the flag that is the subject of a disagreement between the Czechs and Slovaks, as if the wedge of a feud had been driven in between them. We therefore asked several deputies of the FS [Federal Assembly] and the CNR [Czech National Council] for further answers.

Filip Sedivy (ODS [Civic Democratic Party]), vice chairman of the FS: We will not concern ourselves with this as it is not a matter for the FS. I personally am a conservative and I would rather stick with the old Czechoslovak symbol, as far as heraldic and other circumstances permit. Whether it will come out that way, I really do not know.

Josef Mecl (Leftist Bloc): The Czech flag should reflect the connection of the Czech Republic with the current federation. It should therefore not bother anyone if we returned to the state flag of 1918 which had different dimensions than the present one.

Frantisek Kondelik (LSU): The Czech flag should assume the form of the current federal flag. If there are some reservations on the part of the Slovaks, then let them keep it as well. The problem in that case could be resolved by the use of another shade of colors or the addition of a national emblem on the blue wedge.

Zdenek Jicinsky (CSSD [Christian Social Democratic Party]): If the CSFR disappears, then its constitutional provisions can hardly bind the resulting states and it is then a question rather of mutual agreements between the two national councils. The current CSFR flag should not expand the number of disagreements, of which there are already plenty in connection with the division of the federation's property. It is, however, hard to ask the CNR not to accept finally as its own symbol the Czechoslovak tricolor in a slightly different form. The present red and white flag of the CR does not really move anyone too much and people moreover confuse it with that of Poland.

Jaroslav Vorel (KDU-CSL [Christian Democratic Party-Czechoslovak People's Party]): Considering the fact that we have in no way interfered in Slovak affairs, we expect the same approach by the SR in the CNR's decision on

the CR's state flag. It should remind one of the current Czechoslovak flag and a suitable solution would be a slight change in the dimensions of the blue wedge in comparison to the white and red fields.

Jaroslav Novak (SPR-RSC [Association for the Republic-Republican Party of Czechoslovakia]): In no case would I like to see the time come when the flag has the motto "Rooms for rent" [preceding words in German, *Zimmer frei*] on it, as the new joke making the rounds has it. The situation is too serious and we do not see any reason to change the flag, particularly since the breakup of the CSFR is not our program.

Radim Spacek (ODA [Civic Democratic Alliance]): It bothers me somewhat that there is not a broad discussion taking place about this since the matters have developed so rapidly. It should have been clear beforehand whether we are going to create an entirely new republic with no historic relationships or if we are going to take into consideration the fact that Slovakia in fact pulled out of the federation and we are continuing in the tradition of the 1918 republic or if we will look to our connections with the historical Czech state. The form of the state symbols, and thus the flag as well, could then be all derived from this. Personally, I consider the most pragmatic possibility to be a return to the flag of the first republic, whose dimensions were later changed to conform to the Soviet flag.

Pavel Tollner (KDS [Christian Democratic Party]): As a Moravian, I identify with the blue in the present flag because it is one of the colors in the coat of arms with the Moravian spread-eagle. The flag of an independent Czech Republic should, in my opinion, again start with the tricolor and as a certain concessionary alternative for the Slovaks I would consider the use of another shade of the central wedge. In no case, however, would I give up our flag.

Civic Principle, Czech-Slovak Reciprocity Defended

93CH0124A Prague LIDOVE NOVINY in Czech
29 Oct 92 p 6

[Article by Jan Rychlik: "Over the New State"]

[Text] Only two months remain before Czechoslovakia, after 74 years of existence, will disappear from the map of Europe to make room for two unwanted children—an independent Slovakia (the creation of which, in the final analysis, is primarily due to Jan Kalvoda and Vaclav Klaus) and the Czech state (which resulted for the Czechs as a consequence of Vladimir Meciar's unacceptable ideas on a confederation).

It is senseless to talk about "blame" for the disintegration of Czechoslovakia—there really is no such thing. The entire "fault"—if it can be called that—rests in the fact that the coexistence of a smaller and a larger nation within one state is only possible under two conditions: either the smaller nation subordinates itself voluntarily

to the larger nation following the principle that the minority is subordinate to the majority in a democratic society, or the larger entity by the smaller, which, however, means in practice that the minority vetoes the decisions of the majority. The first model, naturally, was unacceptable to the Slovaks, the second to the Czechs, the one canceled the other out, thus leaving a stalemate.

The only possible option for coexistence—the creation of the common consciousness of belonging to a single Czechoslovak nation, as in the case of the Swiss nation—was rejected from the beginning by the Slovaks and later by the Czechs as a “leftover of ‘Czechoslovakism’.” Few people realized that “Czechoslovakism” as a perception of a culturally and ethnically homogenous Czechoslovak nation, is something totally different and has been dead as a concept since at least 1939.

The fact that the creation of an independent Bohemia-Moravia and Slovakia was forced on the majority of the citizens by circumstances, and therefore that the creation of both succession states—in contrast to the states being created on the territory of the former USSR or Yugoslavia—is not commensurate with their subjective goals, naturally does not increase the stability of the two succession republics. I do not wish to speak for others: but I myself, for example, do not feel any ties to the nascent Czech state, just as my Slovak wife does not feel any ties to the Slovak state. They are not simply “our” states, they are something that we are being forced to accept because nothing better is available at this time.

However, although no one wanted the Czech state—similarly like Austria after 1918—the fact is that it is here. Therefore it would be appropriate to think about the relations it should have with the Slovak state and what its internal make-up should be. First, we must realize that there are stable geopolitical factors at work in the central European region, which are unfavorable to the existence of small state units.

After all, taking these factors into consideration led to the creation of Czechoslovakia in 1918 when it was necessary to replace the disintegrated Danubian monarchy, which had existed since 1526, with some new order. Through the union with Slovakia, the Czech state, on the one hand, was meant to acquire a corridor out of the German encirclement toward the east, and, on the other hand, it was meant to increase its abilities vis-a-vis the German minority that numbered over three million.

In its turn, Slovakia, by leaning on Bohemia and Moravia, acquired support against the advancing “Hungarianization,” Hungarian revisionism, and the Hungarian minority. These geopolitical factors have a stabilizing effect, and they cannot be dismissed. This does not mean that there is a potential threat of military aggression by the Germans or the Hungarians. But the fact remains that large states always subjugate small states in the same way as, according to the law of physics, the gravitational pull of larger bodies must necessarily affect smaller ones.

The dependence of the Czech state on Germany in the sphere of economics and the political dependence resulting from it is already visible today, the same way as there are visible attempts by some Hungarian groups—so far, luckily, extra-governmental—to question the validity of the Treaty of Trianon and thus the Slovak-Hungarian border. From a longer time perspective, the Czech and Slovaks are dependent on one another and their close cooperation is not a matter of choice or of language or cultural affinity but a matter of necessity. Apart from that, it is a mistake for anyone to believe that our nations have only lived together in one state since 1918. From the aspect of foreign policy, this occurred much earlier—in 1490—when the Czech king, Vladislav II, was elected king of Hungary and the two countries were united.

Therefore, even if there is no realistic possibility of preserving Czechoslovakia at this time, this does not mean that the possibility of some kind of Czecho-Slovak co-state has been precluded permanently, or that it will be precluded in the future. Therefore the task for the Czech and Slovak representatives should be to preserve a maximum number of ties.

From what has been said, it is also apparent that there is a need for the internal organization of the Czech state. Under no circumstances can it be a matter of a state for the Czech nation, as some people erroneously believe. The state must be established strictly on the civil principle in such a way as to avoid a repetition of the mistakes made by Czechoslovakia in relations with minorities after 1918. The ideal was some kind of small Czechoslovakia where all former Czechoslovak citizens—should they so desire—would find refuge.

Therefore every former Czechoslovak citizen, irrespective of his nationality and place of residence, should have the right to move to the Czech Republic and obtain citizenship if he so desires. Those citizens who do not wish to obtain citizenship, must be permitted to live undisturbed and be granted all rights of citizens of the Czech Republic, with the exception of political rights.

It is self evident that Czecho-Slovak bilinguality, as it was introduced here by Law No. 122/1920 Sb. [Collection of Czechoslovak Laws], should continue to be valid in the Czech Republic and that all minorities should have the same guaranteed rights as they have had to date. The Czech Republic should also continue with all positive aspects that were introduced during the past 74 years of Czechoslovakia's existence. It should be realized that speaking of our alleged “democratic traditions” is deceptive because the only democratic traditions that we have are linked to the Czechoslovak, and not to the Czech, state.

Since the Slovak Republic already has its emblems, there is nothing to prevent the Czech state from taking over the flag, national anthem, and national holiday of the defunct Czechoslovakia. Considering the fact that the Slovak national party has said from the outset that

Czechoslovakia is understood as being the Czech state abroad anyway, I do not see any reason why anyone should object to taking over the Czechoslovak emblems.

What should be considered as being totally dubious is the resurrection of emblems that go back to the distant Middle Ages and whose value, from an objective historical point of view, is more than questionable (e.g. Prince Vaclav, whose merit apparently lies in voluntary subjugation to the emperor).

Utopian Element in Independence Drive Explored

93CH0148A Bratislava KULTURNY ZIVOT in Slovak
18 Nov 92 p 7

["Text" of paper read 23-25 October 1992 in Budapest at the European Intellectuals Meeting: "Revolutions — Restaurations: Return of Utopias"]

[Text] I have a friend who is over 70 years old and has lived all his life in Slovakia. Recently, over a few glasses of wine in a tavern that is even older than he is, he counted out on his fingers that he lived through six revolutions and seven regimes. If he were to thread each revolution and change of regime like a bead onto a string, he could be wearing a pretty good necklace around his neck today. But he confirmed what I know from literature, that as a phenomenon in itself all these revolutions resemble each other as peas in a pod, and they only differ from each other by the coloring that depends on the amount of the blood that was spilled.

So far I have experienced two such revolutions, and to tell the truth, if I leave aside my own hopes and disappointments connected with them, it is much more interesting to watch how these revolutions fail than how they succeed. The logic of revolutionary movements in East Europe during the past decades was easy to understand and it could be said in a somewhat simplified way that these revolutions were driven by the longing for the natural world and were a revolt against the artificial world. Much more unfathomable for me is the realization that the artificial world, based in the past on a utopia about social equality, is in this area more viable and fertile than I could have imagined even three years ago.

At this moment I have the sad advantage over the majority of my friends from various countries of East Europe in that I can observe as in a laboratory the process of revival of this artificial world with its utopias and mechanisms, and I also feel sadness at having this advantage because, among other things, the otherwise pleasant status of an observer often is in such a world, unfortunately, closely tied to the unpleasant status of a guinea pig.

In order not to be unjust to the social utopias, I must say that I have lived my whole life in a society where the idea of social equality was nurtured not so much by Marxist precepts but rather by an unarticulated ancient dream about a golden age of human history, about the era of

primordial societies when the concept of ownership or property did not exist. Regardless of whether the idea of social equality is noble and natural, or, on the contrary, perverted and artificial, its implementation resulted in a grandiose victory of vulgarity and esthetic bankruptcy. I lived almost my whole life in a world where kitsch and uniformity were the governing policy. From the retouched photographs of party leaders at 1 May celebrations, to the uniform canon of television serials, to the apartments in residential high-rises where every one of the thousands of residents knows what the kitchen of any of the apartments looks like and how to go from there to the bedroom and the bathroom. The tragedy of social utopias lies in the fact that social equality cannot be realized without a concurrent terror of esthetic equality and the distinguishing mark of the artificial worlds and systems is precisely that esthetic terror. It is not by chance that in Czechoslovakia at the beginning of the two revolutions in 1968 and 1989 stood writers and artists, who in reality had nothing against social equality but for whom the millstone of bad taste and lies was unbearable.

Even November 1989, particularly in Slovakia, was much more a revolt of intellectuals against kitsch than it was a revolt of citizens against social or political oppression. The Slovak population, which during the past 40 years underwent a transformation from a poor agrarian country to a relatively rich industrial society, linked, perforce, socialism with the growth of the living standard. They paid for it by having their own environment rendered godless, or at least secularized, and by the loss of all support from the traditional and natural esthetic criteria. Never before have so many ugly buildings been erected in Slovakia. Not even speaking about the language which was unable to resist the influence of newspaper and allowed itself to be infiltrated by it in both its literary and the spoken form. It was not by chance that in November intellectuals on town squares were trying literally to exorcise people with new esthetic experiences and liberated language. They succeeded only for a while, but already a few weeks later the new process of returning to kitsch began, which a little more than two years later celebrated its victory in the June elections of this year.

I confess that I see this restoration and this rising from the dead of a system that appeared to be already down on its knees as a much more disturbing process than the revolution itself. Its comparison with the years after the invasion of armies into Czechoslovakia in 1968 is exceptionally inspiring. The fundamental difference, however, is in the fact that at that time the regime established itself in its original coordinates with Moscow's help and made it clear to the population that it had no choice. The mechanism was on the whole simple, and in comparison with 1948 it did not need the internal consent of the population for the installation of the communist regime, because the presence of the Soviet troops substituted for ideals. Rather, what was interesting were the procedures which this system employed. Tens of thousands of well-considered personnel changes with a perfectly developed

sense for strategically important places were based on the trust in people who through symbolic talk will dominate the atmosphere and introduce the esthetics of kitsch and lies. I am convinced that one of the criteria for choosing these people was, among other things, their ability to surround themselves with kitsch and be contemptuous of language. The process, which in Czechoslovakia in the seventies was called normalization, precisely so that it would not have to be called restoration, melded in a unique way the political principle with the esthetic one and installed the supremacy of kitsch.

What is happening in Slovakia today as a result of the will of the majority is not merely a return to the supremacy of kitsch and power that works with the symbols of fear, it is at the same time a return to utopias. Today's power lacks the general societal consciousness of the inescapability of fate, which 20 years ago was represented by the presence of the Soviet Army. This inescapability of fate is therefore again replaced by utopia, which symptomatically calls itself historical inevitability. But it is no longer a utopia about social equality, because even in Slovakia the dream about the material equality of that golden age of humanity died a long time ago. It is a dream about another equality, a dream that is probably even older, it is the dream of the equality of members of a tribe. Even this utopia, as well as the previous one, is strong and viable, because it points to an ancient dream and promises that today the time has come for fulfilling it. Utopia, it so happens, is in today's world, which is full of uncertainties, paradoxically the only certainty which we are able to hold on to. Thus nationalism is today becoming the new foundation for this ancient need for utopia. The victors in the elections represent a kind of bridge between two utopias, a bridge spanning the period of two years without ideals and without utopias. Their victory is at the same time an expression of the longing to return to the recent past, to the times when kitsch and mediocrity reigned supreme. The utopian character of nationalism is so marked in Slovakia precisely because in order to function it does not even need proof of its historically inevitable results but can make do with several fictions. The preamble of the new Slovak constitution speaks about taking up the legacy of Cyril and Methodius from a thousand years ago, although nobody said what kind of legacy it is, and then it talks about the fulfillment of the centuries-long striving of the Slovak nation for Slovak statehood, although in all our history up to the 20th century no Slovak ever strove for Slovak statehood.

The attempt to restore the system built on utopia is today in full swing in Slovakia, and I am looking in astonishment at how the mechanisms proven by decades of practice are again functioning efficiently. The new power is a remarkable grouping of people of whom many, as members of the Communist Party, were affected by the normalization in 1968 as well of those who either shared in that normalization or exploited it. These people, who were either the victims or the architects of the normalization are bound together by one

experience: that the mechanism which they experienced on their own skin is functional. It is the only model of power that they have known, and that is why they are using it. The changes in personnel are occurring in all the structures of society, from the ministries to state administration and the media, all the way to education and health care. Ascendant again is the model of uniting the political and esthetic principles, when what is good is to be everything that declares itself to be Slovak. It is the politics of kitsch, and the distinguishing mark of this power is bad taste. On the day sovereignty was declared huge state-sponsored bonfires were lit on mountain tops, the signing of the constitution followed the scenario of past socialist ceremonies, and searching for the symbolism and new inspiration for the state ideal is done by planting a linden tree in the presence of several ministers and a few dozen curious onlookers. In spite of the fact, or precisely because of it, that the new esthetics is ideologized and therefore kitschy, it functions. The rhetoric of the government functionaries is a mixture of ideological language with a folksy flavor and seeming logic, it is a tasteless echo of the rhetoric of the seventies, when terms such as enemy, intruder, or deadbeats who foul their own nest are a reminder of the well-known atmosphere and are to serve as a symbol of a certain era, serve to trigger the Pavlov reflex in entire society, serve as a reminder of the fear. Contempt for language is already functioning as a new kind of newspeak, in which terms such as national realism, ethical self-regulation, or new journalism are discussed only because they were uttered by the prime minister or one of the ministers and these terms are thus unwillingly becoming, in spite of resistance from journalists, part of the vocabulary of the journalists themselves. Utopian nationalism became an ideology so quickly that to declare yourself a good Slovak is today as important for one's career in government as it once was to declare oneself a member of the working class. This vulgarity linked with the political power is maybe a conscious, maybe unconscious repetition of the rituals of all ideological regimes of this century and it brings out in society the accustomed reaction of fear and apathy.

Today, the entire society is experiencing something of a *deja vu* and what is going to be decisive will be whether people will look at it with relief or with disgust. It is possible, and I confess that I want to believe it very much, that the disgust with this vulgarity and arrogance of the political kitsch will grow commensurately with its menace.

However, the fact remains that the majority of Slovak society, after two-and-a-half years of liberty without ideals and utopia opted in the elections for utopia. After autumn 1989, it is the first result of a free decision after a real experience with liberty in East Europe. Some Slovak politicians insist that the real revolution is only now happening. In their own way they are right. But it appears that everything is beginning all over again. In this small Slovak laboratory all possibilities are still open. When thinking about this I cannot but remember my old friend, because I would be most unhappy if I had

to experience as many revolutions and changes of regimes in my life as he did in his.

Sabata on Relations With Bohemia, Slovakia

93CH0133A Bratislava SLOBODNY PIATOK in Slovak
13 Nov 92 p 3

[Interview with Jaroslav Sabata, adviser to the chairman of the Federal Assembly, by Ruzena Wagnerova and Jozef Sitko; place and date not given: "Assuming Power Is the Easy Part"]

[Text] [SLOBODNY PIATOK] Mr. Sabata, it appears that you are one of the few Czech politicians who sincerely sympathizes with Slovakia and stands soberly on the side of her interests. Does this way of thinking spring from your Moravian origins?

[Sabata] My family and social background certainly had an influence on me and forced me to be on guard against Czech nationalism. Viewed from the intellectual aspect, my inspiration came from T.G. Masaryk, whose background was actually in some respects similar.

[SLOBODNY PIATOK] But he was in fact the father of the concept of a Czechoslovak nation, which many Slovaks find objectionable.

[Sabata] That is true. The essential feature of his thinking was universalism, "catholicity," dedication to the "catholic (in its general sense) idea of humanity;" he believed that history is marching toward an ever more unified organization of humanity and Europe naturally to some United States of Europe. That is the basis of the inner logic of his transition from a democratic and federal concept of Austrian statehood to a Czechoslovak statehood. His Czechoslovakism in no way had a nationalist base. As soon as we look at it from this angle, his view of the Czech question takes on a different dimension. He was above a genetically encoded nationalistic Czech way of thinking. And that is also close to the way I am disposed to think.

[SLOBODNY PIATOK] What then prevented you from "adapting yourself" to the Prague environment and having an easy life, instead of three times submitting a request to be recalled from your position as minister in the Czech government?

[Sabata] I criticized the bad agricultural policy, the vetting law, and other shortcomings. As an opponent I became inconvenient. So, to make the point short—my relationship to Slovakia is not colored primarily by ethnicity or proximity to Slovakia but by the way I view the world.

[SLOBODNY PIATOK] Slovakia is also part of that world. You know her political representatives. In what respects are they wanting?

[Sabata] I would say that there is a certain defensiveness and uncertainty on the part of the constitutional authorities. The Slovak Republic in only now coming into

being, whereas the Czech Republic is, after all, an established state entity. It is clear, but also natural, that Slovak authorities have problems in dealing with this situation.

[SLOBODNY PIATOK] Did you have some experiences that led you to this conclusion?

[Sabata] I will mention one recent one, which concerned policy toward the media. An editor from THE GUARDIAN, who several months ago wrote unflatteringly about V. Meciar, recently asked him for an interview. It was only after great difficulties that it finally took place. Such problems are unknown to Czech politicians. It is said about Vaclav Klaus that he has three assistants whose single duty is to make certain that communication with the public abroad is maintained through the media. He is always willing, even within the span of a few minutes, to grant an interview. While V. Meciar is being "frozen out," Czech journalism rather supports the government. The situation in Slovakia is different. Even that attests to the fact that the Slovak political representation is only now developing into a state representation, with all that it entails. I am saying this also in order for you to understand it better. The Slovak Republic is facing many dangers. And your dangers are also our dangers, which in Prague is not always sufficiently understood.

[SLOBODNY PIATOK] What dangers do you have in mind?

[Sabat] Undoubtedly the Gabcikovo project, which was not sufficiently resolved diplomatically in time, not even from the Slovak side.

[SLOBODNY PIATOK] Even though it is Federal business?

[Sabat] I took part in almost all the negotiations about this problem still in the government of M. Calfa. All its discussions were conducted in the spirit of: Gabcikovo yes, there are legal guarantees, it cannot be reversed. Only during the last discussion about this matter was this position put in question by Klaus' stance. And immediately all his opponents in the Federal Government on the Czech side joined him, beginning with Vavrousek who, however, held a different opinion. From that moment on the discussions were conducted from an altogether different angle. Moreover, Gabcikovo is being offered as the main argument against closer ties with Slovakia. Gabcikovo has been and is the heavy caliber problem, and the problem of the Hungarian national minority is at this moment secondary.

[SLOBODNY PIATOK] The Moravian-Silesian syndrome appears for the moment secondary in Czech politics, but not for long. You know it intimately. What developments do you expect after 1 January 1993?

[Sabat] The Czech political establishment as a whole was insufficiently perceptive about the "distinctiveness" of Slovakia. And this despite the fact that it had available,

so to speak, the lessons from 1938-39 and from 1968. The Moravian question is in a certain sense an analogous problem, though at the same time I want to emphasize that I am not a nationalist and in Moravia I always emphasize that I am a Czech.

[SLOBODNY PIATOK] Nevertheless, Brno has the role of standing in opposition to Prague. We find a parallel also in Slovakia, where Kosice is in a similar position against Bratislava.

[Sabat] But there is something to this fact. After all, there is the danger of a centralist state. I would even say that of all the dangers the greatest one will be if our states are not sufficiently developed in the ways of self-government. To assume power is the easy part. That is why it is necessary to listen to all the warning voices, even if sometimes they sound rather picturesque. I recently read in MOSTY—better a Kosice Kuwait than an independent Slovakia. But that is a very extreme position.

[SLOBODNY PIATOK] But it cannot be avoided. In a crisis such voices are usually heard as well. But let's go back to Moravia. There is nevertheless concern here about an intensification in this problem in the Czech Republic itself. Let's take, for example, the distribution of funds from the budget. That there has been dissatisfaction with it is well known, and it will hardly go away now. All the more if Slovakia is at least a little successful.

[Sabat] In this case it will be essential what position both sides will assume. I am surprised that Klaus's administration decided to follow the more problematic road, although for a while it was wavering. It seemed that there would be an agreement based on the land setup, in which krajs would hold a legislative initiative. It appears that at the moment that has been taken off the table. The talk is about krajs with a population of 1-2 million, which would mean the division of Moravia. And that would be seen by many in Moravia as perfidy.

[SLOBODNY PIATOK] I am not telling you anything new but historically Moravians have always tilted more toward the Slovaks. How could these links develop in the future?

[Sabat] The Czech nationalist wave is as strong in Moravia as it is in Bohemia. The reason being, that the Moravian quasi-nationalistic ambitions were connected with the idea of a tri-union, which the Slovaks did not support. There is a certain disappointment, a certain dissatisfaction with Slovak politics. At present, therefore, the situation is not what you suggest in your question. In the future, when the Moravian political establishment also becomes more mature, it may play a positive role in creating positive relations among Czechs generally and between Czechs and Slovaks. But that will not be possible immediately, and not easily.

[SLOBODNY PIATOK] There are rumors about the nascent Czech state that it is an unwanted child, and that it is a reflection of Slovak will. Isn't this a wrong assertion?

[Sabat] That is not a nice thought, but unfortunately there is something to it. But I think that solidarity between Slovaks and Czechs has a common mission, that they must get along as partners in order to create a good political climate in Central Europe. We must decide whether we want to turn the boundary line into a frontier such as exists between us and Austria or Germany, or if the classic boundary line will remain so that we maintain close relations.

By the way, even some Czech observers realize that it was the Czech political establishment that radically changed its position, not the Slovaks. The Slovak politicians moved from the beginning within one boundary—Slovakia's distinctiveness with all that appertains to it and some form of coexistence. It was clear that the old form of coexistence has become outdated, but the Czech politicians had nothing to offer other than a unitary federal type, or a purely unitary one, or a separation. Already in 1990, when discussions about Trencianske Teplice were taking place, influential representatives of the Castle wing did not hide their view that all efforts to reach an agreement are futile, and that there will be no other possibility than to let the federation go. That reflected the inability and lack of preparation of the Czech political establishment to look at the problem of Czecho-Slovak statehood from another angle, to consider a new form. This problem persists to this day. After all, the signed treaties are actually the nucleus of a new union. Naturally they can be torpedoed, directly or indirectly. This applies especially to the customs union and economic cooperation generally.

[SLOBODNY PITOK] The question whether two entities, yes or no, is no longer relevant. In practice we already have them. Let's look at what is ahead of us. How the election of the Czech president will look. If, say, Vaclav Havel is elected by indirect vote—that is, by parliament, will he be able to be an exponent of some rather more forceful Czech policies, when it is known that he is inclined toward Dienstbier's Civic Party?

[Sabat] He can always be the exponent if he has a sufficiently developed political will.

[SLOBODNY PIATOK] The will to govern he has. After all, during his era there was a third government in the Castle which intervened in practically everything. Will not the function of the Czech president under the new constitutional conditions be more or less a formal function?

[Sabat] It will not be a formal one in any case. But I would be rather inclined to favor a direct election of the president by citizens, so that he would be in a stronger position. But that does not mean that if he is not elected directly he will be only a figurehead. Even in such a case he will be able to do a lot. I repeat: it is a question of

political will and how he makes use of the possibilities afforded the president by the constitution.

[SLOBODNY PIATOK] In his relationship to Klaus, Vaclav Havel proved to be a politician on the short end of the stick. He lost the political duel. Was it a consequence of the fact that the Civic Movement [OH] on which he relied lost influence, or was the reason the mistakes he and his advisors made?

[Sabat] This is a whole complex of questions which did not arise only with the weakening of the OH position. The defeat of the wing which V. Havel represented was sealed by the election of Vaclav Klaus in October 1990 as OH chairman. At that moment the political point of gravity shifted elsewhere and it did not return to the wing which in spring 1991 constituted itself as OH, and which found itself on the sidelines. Havel's acts can therefore be viewed as an effort to get this component of the original Civic Forum out of the defensive position.

[SLOBODNY PIATOK] Since we are speaking about Havel, did he not contribute by his policies to the breakup of the state, especially before the elections when he unequivocally insisted on a Slovak coalition government, and behaved with "unpresidential" aloofness toward the opposition?

[Sabat] There were many faulty links in the chain of his activities. Already at the very beginning of the post-November developments. I am talking about the side effects of some of his steps, which help to destroy the policy of national understanding. Its destruction laid the foundations of the present separation.

[SLOBODNY PIATOK] Wasn't the separation settled by the victory of HZDS [Movement for a Democratic Slovakia] in the elections, against which the most diverse steps were being taken until the last moment? Czech politicians, including V. Klaus who left a back door slightly ajar, were after all unable to communicate with Meciar in a normal way. Isn't the Czech antipathy toward him caused in part by his tough, consistent, and unyielding manner which Czech politicians were not used to seeing in Slovak politicians?

[Sabat] I have to repeat once more: the cardinal problem, to my mind, was primarily the fact that Czech politicians failed from the very beginning to deal with the Slovak problem. Poor Milan Simecka, a Czech living in Slovakia, wrote immediately after November 1989 and often said that Slovaks will want to step out of the shadow of the Czechs. If this is not understood comprehensively, it means that the problem will not be understood at all. And that is what happened. And then the only question was who will articulate the consequences of this lack of understanding in Slovakia. There were two possibilities—either the Christian Democratic Movement [KDH] with J. Carnogusky, or V. Meciar at the head of the newly formed group, since Public Against Violence [VPN] was not inclined to do it. We know why in the end HZDS was the one.

[SLOBODNY PIATOK] Now that we have mapped out the developments so far, tell me, do revolutionaries know how to be good and successful politicians?

[Sabat] Some do, some do not. When one is destroying an old system one comprehends certain things, but they remain on a somewhat abstract level until they come to the surface after the revolution. Then revolutionaries are differentiated according to how specifically they succeed in grasping those problems. It must also be expected that they will encounter competition from the "nonrevolutionaries." In the Czech and Slovak environment the postdissident groups won—Klaus's and Meciar's. That only confirms the hypothesis that revolutionaries have problems knowing how to handle power after they seize it. But I do think that our revolution by and large did not "devour" its children.

Livia Klaus on Expectations, Work, Future

93CH0126A Bratislava SMENA in Slovak 10 Nov 92
p 3

[Interview with Livia Klaus, wife of Czech Prime Minister Vaclav Klaus, by Marta Csontosova; place and date not given: "There Was Never Peace in the Klaus Family"]

[Text] *At the third ODS [Civic Democratic Party] congress held in Prague on Saturday Livia Klausova, the party chairman's wife, took part as a regular delegate. The many interviews she granted at the congress gave rise even to speculation whether perchance it was to divert the journalists' attention from ODS Chairman Vaclav Klaus. If indeed Livia Klausova was to be the lure, it was a very useful one. Judge for yourselves.*

[Csontosova] How do you feel about the inexorable breakup of the CSFR?

[Klausova] Like most people. I regret it, because after all our family is also a symbol of the federation. But regret is one thing; another is whether it could have been averted. If we don't manage to agree for more than two years, a peaceable separation is better.

[Csontosova] Don't you think that it is only the politicians who are unable to agree? The ordinary folk actually viewed the common state as satisfactory on the whole.

[Klausova] The ordinary folk encounter the same problems. Indeed, one can apply to our state the analogy of a marriage which is incapable of functioning properly. I regret it but I cannot today imagine a road leading to a finish other than the division of the state. Of course historians will analyze the situation and say, This or that might have been if... Alas, what has gone on can no longer be reversed. If you are alluding to the widely held view that Slovakia will be worse off economically, this is where I do not agree with the pessimists. Slovakia may be initially worse off economically than the Czech Republic, yet... it depends on who we are comparing

with. If the comparison is with the other countries of the entire former socialist bloc, even so Slovakia will rate among the good examples.

[Csontosova] What actually are you involved with these days in scientific work?

[Klausova] Until now I have worked on international currency and finance organizations. The last study I am doing in our institute concerns the prospects for integrating the CSFR economically into the European Community. Now, unfortunately, I had to focus also on the problems of a monetary union between the Czech and Slovak Republic. All the theoretical questions we researched in regard to European integration we now paradoxically apply to the Czech and Slovak Republic. In order to have at least an estimate whether it is possible to preserve what we have in common.

[Csontosova] What conclusion have you reached?

[Klausova] The factors which defy scientific examination are so numerous that we cannot estimate precisely when the moment will come from which for instance it will no longer be possible to maintain a common currency.

[Csontosova] What you said suggests that you are going to change your workplace. Where are you headed after leaving the CSAV [Czechoslovak Academy of Sciences] Economics Institute?

[Klausova] Our institute will probably close down after reorganizations and I will not be able to keep a full-time position. I have passed the competitive examination for the Economics Institute at the Czechoslovak State Bank and that's where I will presumably report for work as of 1 January 1993. But it is not yet definite.

[Csontosova] Are you sorry for having lost the peace the Klaus family enjoyed before becoming visible?

[Klausova] I can assure you that there was never peace in the Klaus family.

Background of Czechoslovak Social Democrats

93CH0159A Prague METROPOLITNI TELEGRAF
in Czech 18 Nov 92 p 9

[Article by Josef Landergott: "Inside People's House as Well as Outside of It—One of the Complicated Stories of Our Post-November Situation"]

[Text] *In December, three years will have passed since the Social Democrats publicly renewed their activities in Czechoslovakia. From the very beginning, there were two centers. In the beginning, the differences between both groupings remained concealed and only a few insiders knew of them. That is why there was more talk of "personnel conflicts or ambitions" rather than political differences. The latter did not become more apparent until prior to the first parliamentary elections in 1990.*

Prelude

The Czechoslovak Social Democratic Worker Party [CSDSD] enjoyed lengthy traditions in our country. It was established in 1878 and played a very important political role before as well as after 1918. Following six years of banishment, it was reestablished in 1945 under the title Czechoslovak Social Democratic Party [CSSD] and became one of the parties in the National Front. Its subsequent fate is generally known. Communist agents Zdenek Fierlinger, Evzen Erban, etc., seized the party's leadership. However, the membership, for the most part, rejected the bolshevization of its party. As early as June 1948, the CSSD was liquidated, much like other social democratic parties in the Soviet manner by "combining it" with the CPCZ [Czechoslovak Communist Party]. More than two-thirds of the membership—more than 200,000 members of the CSSD, resisted the pressure and did not join the CPCZ.

After the party went out of business at home, the CSSD in exile was established in London; its elected chairman became former Minister Vaclav Majer (today it is Karel Hruby). In a sharp campaign against social democracy in this country, the communist ideologist Professor Jiri Hajek distinguished himself particularly.

While abroad for all of its 40 years, the exile party did not stop its activities, it published books and a newspaper (between 1978 and 1989, it published the quarterly PRAVO LIDU) and did not stop organizing regular conventions, the last of which was held in the summer of 1989 at Heidelberg. Since 1978, the party was in constant contact with the Rudolf Battek group, which it considered to be a legitimate partner on domestic soil. In the 1980's, a three-member faction split off from the consistently anticommunist exile party—the faction made up of Radomir Luz, Jiri Horak, and Premysl Janyr—which began to orient itself toward a "historic compromise" with the Communists. As of the spring of 1989, its domestic partner became the Society for the Study of Democratic Socialism, in which the former Fierlinger follower Stanislav Posusta was very active, as was Bretislav Nedbalek, whose name appears in the published listings of secret police collaborators. The society collaborated with the communist Obroda Rebirth Party, particularly with Jiri and Milos Hajek, and was preparing for the day it would be invited by "progressive streams" within the CPCZ to participate in the government after Milos Jakes was deposed. The November revolution, however, developed along somewhat different lines than the promoters of "historic compromise" imagined. That is why the "unamalgamated" Social Democrat, Slavomir Klaban, was pushed into the foreground; in 1989, Klaban had spent his summer vacation in Yugoslavia at the invitation and at the expense of J. Horak so that he could become initiated in matters.

On Narodni Trida Avenue

In the general confusion of the revolutionary days at the end of 1989, a center which proclaimed the renewal of

the CSSD came into being in the Narodni Trida Avenue apartment of Br. Nedbalek. The platform proclamation, which was predated to 19 November 1989, contained the general goals of social democratic parties. Its expanded image was formulated by V. Veverka, who is today the representative of the Construction Industry Association. Nedbalek remained as secretary of the Preparatory Committee until the end of the year, but thereafter, when he said in an interview given to the press that the CSSD should collaborate even with the Communists, he was "benched" and relegated to the position of secretary for foreign affairs.

The Social Democrats of the OF [Civic Forum]

Another road was chosen by a group of Social Democrats which formed around Rudolf Battek, who was one of the leading personalities in the anticommunist dissident movement. The date on the proclamation regarding the renewal of the Czech Social Democratic Party is 1 December 1989. In terms of a program, the party differed from the CSSD by a clear espousal of a socially and ecologically responsible market economy and active work in civic forums. From the beginning, revulsion in this group to cooperating with the reform Communists—with the so-called 1968 types—predominated. While the Klaban group was concentrating on creating the party organization of the CSSD and rejected collaboration with the OF, the Battek group made virtually no decisions regarding any kind of organizational steps regarding any commitment in the leadership movement of the post-November changes.

Out of ignorance of the conditions, the majority of Social Democrats and those interested in the party at that time were registering precisely with the center on Narodni Trida Avenue. This was also the location from which the first domestic issue of PRAVO LIDU, which had nothing to do with the exile quarterly, was distributed and soon began to take on the trappings of social demagoguery. Later, once the publication of PRAVO LIDU had been transferred to the CSSD at People's House, the CSSD Preparatory Committee entrusted the editorship to Premysl Janyr, a Viennese emigre whom J. Horak once categorized at a session of the Central Committee as "one of the best, if not the best Czech journalist." PRAVO LIDU was first a weekly and has been a daily since 1991. Nevertheless, reader interest continued to decline and not even the forced departure of Pr. Janyr was able to save the newspaper. In the summer of 1992, the newspaper was sold to a private group, registered in Vienna, which appears to have no political connections with the present-day leadership of the CSSD and which transformed the newspaper into a tabloid. It is no longer published today.

Within People's House

In December 1989, the communist leaders Adamec and Mohorita, turned over People's House to the CSSD Preparatory Committee; for 30 years, this facility had served as the so-called Lenin Museum. There are some

unclearities regarding the legality of this step and, to this day, this transfer is being investigated by the Ministry of Control and is also possibly the object of political pressure being exerted upon today's leadership of the CSSD.

Under the pressure of circumstances, and particularly under pressure exerted by foreign Social Democrats calling for unity, the Battek group proposed, on 30 December 1989, that both social democratic centers be combined into a National Coordination Committee which would lead the party to its renewal congress and would manage the publication of PRAVO LIDU with a specific tie-in to the exile version of PRAVO LIDU. The CSSD was to "be part of the broad democratic coalition between the OF and the VPN [Public Against Violence]." All of these conditions were essentially seemingly accepted by the Klaban group on 12 January 1990 and were confirmed the next day by representatives of the nascent organizations at the kraj level as well as by the foreign Social Democrats at a meeting held in Prague-Vinohrady. This is where the statewide Preparatory Committee of the CSSD came into being and Slavomir Klaban was elected its chairman, Rudolf Battek its deputy chairman, and Vaclav Wagner became its secretary.

However, political conflicts were not successfully eliminated. The Klaban group continued to collaborate with the reform Communists and, among others, some additional personalities, whose names and dates of birth could later be read in the list of agents and collaborators of the secret police, showed up at People's House. The CSSD became firmly entrenched at People's House and devoted itself intensively to creating local and okres-level organizations. Throughout the entire party, the conflict between both wings was visible and audible at all levels. The conflict regarding collaborating with the OF ended favorably for the Klaban group.

During this time, R. Battek was far too occupied with work within the OF. His group was absolutely uninterested in organizational matters and even his followers were short of information. That is why a few of them concentrated upon establishing the CSSD bases in places of their own residence. Some of the Social Democrats left the CSSD immediately; others left gradually, for the most part totally apart from political events. With respect to today's "rightists," it will likely be a noteworthy fact that after the establishment of the ODS [Civic Democratic Party] in the spring of 1991, a number of Social Democrats left the base membership and joined this very party. The reason was understandable—at that time, the ODS was the only strong Czech party for everyone interested in changing the system and interested in sidelining the powers of the Communists.

The Renewal Congress and the First Elections

The renewal congress of the CSSD (which was the 24th in its sequence of congresses) was held on 23 and 24 March 1990 in Prague-Brevnov. While the Klaban group

was well-prepared, R. Battek acted as though he did not devote any attention to the importance of the congress. Perhaps this was so also because he did not consider the colorless bureaucratic Klaban as a serious adversary. Many a person at that time thought that the congress would readily elect R. Battek. Not quite a week before the congress, there was a surprising move which had been prepared a long time prior to the congress: Sl. Klaban stepped down as a candidate for chairman and proposed that he be replaced by J. Horak, a political refugee from 1948, who was magnanimously promising the acquisition of financial resources for the party, and among other things he promised establishment of a travel agency for its members, etc., etc.

The good scenario and the suitability of the candidate in the person of J. Horak did not afford Battek and the exile party a chance. What was not included in the scenario of the congress was the fact that it was almost possible to pass a resolution that former Communists would not hold office within the CSSD for a certain length of time. A collusion of bloodletting, the embittered tossing of a briefcase from the leadership into the plenum, and a number of personal outpourings about humanity and responsibility for a bit of manipulation collaborated to frustrate the passage of the resolution. On the other hand, we read in the congressional resolutions that members of the CSSD can stand for office in the upcoming parliamentary elections by being on the OF list of candidates. The results of the voting among the candidates for the chairmanship of the CSSD ended with J. Horak's superiority. During the first negotiations conducted by the just-elected Central Committee, R. Battek turned down the job of first deputy chairman, which had been offered by Horak. These functions were taken by Karel Szikora and Jaroslav Tuma. The congress elected Jiri Paroubek to be central secretary and Slavomir Klaban became honorary party chairman. J. Paroubek soon found himself in mysterious conflict of a material character with J. Horak and because the Central Committee believed the chairman, was replaced by J. Tuma in the fall of 1990.

The preelection campaign in the spring and summer of 1990 was a sign of enthusiasm within the CSSD. No one paused to contemplate from where the CSSD had obtained the resources for such a massive campaign and only a few people asked how it was possible to obtain 10,000 signatures on the petition to enter the elections. But there were enough posters and as soon as doubts arose in some Prague precincts regarding the number of registered CSSD members, even the archived diskettes disappeared. As early as that time, there was a great deal of distrust among the electorate for this party on the one hand and the self-confidence of the higher officeholders of the party and its apparatus on the other hand. The latter believed in as high as a 15-percent success and were discussing ministerial portfolios.

R. Battek with his friends campaigned for the OF. On 1 May 1990, they announced the birth of the Club of Social Democrats of the Civic Forum [KSD OF] and

completely subordinated their campaign to the goals of the OF, whose election platform was unmistakably social democratic in character. From this group, Rudolf Battek, Albert Cerny, Stefan Guertler, Tomas Hradilek, and Jindrich Konecny were elected for the OF to the first democratically elected Federal Assembly (they did not campaign to be elected to the CNR [Czech National Council]). For a short time, T. Hradilek was Czech minister of the interior, but he soon resigned and no longer showed up in politics. Rudolf Battek was chairman of the People's Chamber of the Federal Assembly of the CSFR for a period of two years. He was quite popular, even among journalists, for his loosened method of conducting parliamentary meetings, as well as being popular with the public for signing the approved "lustration law" when A. Dubcek, Federal Assembly chairman, would have none of it. It is possible to say that the public did not have an opportunity to notice the activities of the social democratic delegates in the Federal Assembly and that, following the breakup of the OF, a delegate club of the KSD OF, or later the ASD [Association of Social Democrats], was never formed.

At Any Cost

The Horak leadership of the CSSD made use of its own election defeat (4.9 percent) to eliminate the representatives of its intraparty opposition. Janyr's PRAVO LIDU initiated a sharp campaign against the "spoiler" Battek. The election failure was being justified, among others, by claiming that R. Battek agitated against the CSSD at preelection gatherings, which he is said to have done because he was outraged that he had not been elected to the chairmanship of the party prior to that time. In addition to P. Janyr, the gossip campaign was joined primarily by J. Paroubek, party secretary, J. Tuma, deputy chairman, and V. Krampera, chairman of the Prague organization. The leadership actually established a commission to investigate the antiparty activities of R. Battek and his friends. Because the "investigatee" perhaps did not even want to defend himself, the Horak leadership had a green light. J. Horak proposed, on 22 June 1990, that Battek be expelled from the CSSD for speaking out against the interests of the party and because he refused to respect the decisions made by party representatives. Even this action was full of passion: One of the female members of the Central Committee insulted R. Battek with the words "Don't come creeping in here anymore!" And another female member, who is a CSSD delegate today, fainted shortly before the voting took place and, while still in a very faint state, managed to cast her "yes" vote for Battek's expulsion. Together with Battek, delegate Jindrich Konecny left the CSSD at his own request.

Despite the fact that as early as April the CSSD became a member of the Socialist International, it has not received any international support to this day, as it had hoped it would. The expulsion of R. Battek confirmed this isolation and essentially only the Vienna center of the Socialist Party of Austria has agreed to collaborate with the Prague leadership of the CSSD.

J. Horak now had a free hand to push for his political intentions, namely to establish a "unified and modern" leftist party on the doubtful foundations of People's House at any cost. That is why he began to negotiate with anyone who even had a little bit of a dark past, for example, with the Czech Socialists [CSS], with the Communist Farmers [ZS], and with proponents of a Greater Moravia, but primarily with the Obroda group of reform Communists who, at that time, were still members of the OF. The Central Committee approved the integration with the Obroda Club by a great majority in November 1990 (the proposal was made by J. Tuma). The CSSD at that time failed for the second time in the eyes of the electorate when, despite the evident crisis within the OF, it did not prevail in community elections.

Because the CSSD failed to get into parliaments through elections, Chairman J. Horak found another way. In January 1991, a group of OF delegates, most of whom were members of Obroda, declared themselves to be a socially democratic oriented group [SDO] and established the delegate club of the CSSD in the Federal Assembly. From that time onward, the public connects the CSSD with such names as I. Fiser, J. Wagner, P. Dostal, F. Samalik, V. Silhan, etc. Shortly prior to that time, the last group of Social Democrats who disagreed with the policy of the party leadership and continued their activities only as members of the KSD OF left People's House. Although this was a group which was weak in People's House, its departure nevertheless made room for the Obroda group and for all those who openly espoused collaborating with reform Communists. The main aim followed by the leadership of the CSSD continued to be the acquisition of the most number of communist votes and to, thus, "weaken" the CPCZ. Before the Ostrava congress, Valtr Komarek, who had been a convinced Communist all of his life, appeared officially at People's House.

After the Ostrava Congress

On 6 and 7 April, the 25th Congress of the CSSD approved the integration of the party with the Obroda Party and confirmed the existing political direction of the party. J. Horak remained as chairman, deputy chairmen who were elected included Tuma, Kuca, Zanda, and Trnkova, J. Wagner became central secretary. V. Komarek was designated as the "election leader." For a brief time, Richard Falbr was deputy chairman, but resigned from that position to become president of the Czechoslovak Trade Union Confederation to replace Roman Kovac (who had decided in favor of the Slovak political scene in the spring of 1992). The leadership of the foreign CSSD totally parted company with the party at People's House after the congress. In its proclamation, dated 8 April, it stated that "the party which welcomes representatives of the Obroda organization into its center ceases to be a party which is socially democratic. That is why we do not consider the present CSSD to be our party, but are returning to the ground of an authentic social democratic movement."

Chairman Horak was barely able in the fall of the same year to stop the sharp approach chosen by Secretary Wagner to liquidate the CSSD and Tuma and Trnkova disappeared from their deputy chairmanship positions. They were replaced by Jaromir Kuca, Josef Zanda, and later still by Petr Moravek. Former populist J. Lopata became central secretary. Currently, J. Wagner is a delegate to the CNR as well as to the Prague representation, where he is a colleague of his predecessor in the office of secretary at People's House, J. Paroubek.

In the Federal Assembly, the parliamentary group of the CSSD continued to defend the personal positions of former Communists which was most markedly notable during the negotiations of the so-called lustration law. For the 1992 elections, the V. Komarek team—actually the Forecasting Institute—prepared a downright bombastically populist program. The party leadership felt that this program and the "social democratic" personalities, which were added to in the spring of 1992 by Milos Zeman and Zdenek Jicinsky, held the promise of high election success. Some were speaking of a 20-percent vote. Instead, while the CSSD did manage to get into the Federal Assembly and in the CNR, it did so more or less only in a perfunctory manner—the anticipated success stopped at the 7-percent level.

Because the CSSD had based its strategy from the beginning upon total opposition against perhaps everything governmental, it proved unable to extricate itself from its negativistic attitudes even at the time the destruction of the federation became evident. The CSSD did not expand its activities into Slovakia, where it had proved unable to come to agreement with the Social Democratic Party in Slovakia [SDSS]. The SDSS did not even want that anyway, even though it is essentially a political twin of People's House; this small party had internal conflicts about whether to collaborate with the HZDS [Movement for a Democratic Slovakia] or directly with the Communists (SDL [Party of Liberal Democrats]). The SDSS is the only Social Democratic Party after 1948 which concluded an agreement on cooperation with the Communists. Even for those reasons, the "Czechoslovak" positions of CSSD delegates are actually a curiosity and purely opportunistic in their opposition.

The CSSD is preparing for another congress, this time in February 1993. There are great conflicts within the party between individual groupings. Things look as though the newcomers had no confidence in the older members and those older members immediately thereafter regretted having taken the new members into the party at all. It is perhaps possible to come up with a different interpretation of the fates of these people, namely that they have matured from being communist deviationists to being Social Democrats. But believe me....

Social Democrats Outside of People's House

The OF Club of Social Democrats undertook virtually no steps following the parting of the ways with the CSSD

which would result in recruiting the membership base of People's House to their side. They did not create organizational prerequisites and their spiritual leaders—Rudolf Battek and Pavel Bergmann—hesitated in proclaiming a new Social Democratic Party. However, the determination of the members of the KSD OF to go their independent way became discernible as early as the first statewide conference, which was held in Prague on 10 November 1990. The decision resulted in the breakup of the OF and primarily brought about the results of the Ostrava CSSD Congress. The second all-state conference of the KSD OF on 25 May 1991 in Prague decided to proclaim a new Social Democratic Party called the Association of Social Democrats [ASD], the first congress of which took place on 26 October of the same year at Prague's Community House.

Although the ASD was, from the very beginning, a clearly politically profiled party, it did not penetrate into the broader public consciousness. Its strategy was active cooperation with the government parties in transforming society and the economy, or it agreed with and agrees with the government reform priorities. It adds social responsibility to the traditional social democratic values of freedom, justice, and solidarity, because it sees its political goal in a socially and ecologically responsible market economy for society. From the beginning, the ASD is a "federal" party and operates on the principle of a unitary organization for both republics. In contrast to the reform communist election program of the CSSD, it never manipulated demagogic ethnological slogans.

The representatives of the ASD are its chairman, R. Battek, and its deputy chairmen, Danica Klinckova and Radovan Kostal. From the beginning, it was obvious that approximately a third of the local CSSD organizations would transfer immediately to the new party, but the ASD did not have the means to take them over. Because it could not afford to enter the elections, an all-state conference held on 21 March 1992 decided that ASD candidates would be listed on the candidate lists of the Democrats for '92 election party. However, this association dissuaded a number of Social Democrats because of its lack of programmatic expression and particularly because the social democratic character of the ASD was being distorted. After the elections, the ASD terminated any kind of cooperation with the Democrats for '92 and is looking for additional forms by which it could exist today. The Czech Social Democrats living abroad (the CSSD in exile) are organizationally connected to the ASD.

I believe that the importance of the ASD thus far has primarily been the fact that it even exists. This is a sympathetic civic political association in terms of its program; it is a possible embryo of the left which the Communists failed to master.

The CSSD has found itself in the position of the defender of state capitalistic—if you will, a real socialist, economic ideology—working consistently with negativistic slogans such as hunger, fear, national threat, selling off

values, etc. J. Horak and his group (let us believe that, for the most part, they were unwitting) have succeeded in wiping away the fundamental ideological differences of social democracy with communist deviation and, by doing so, they have succeeded in eliminating the reason for their independent political existence. We shall see whether a policy of consistent confrontational scare tactics, discouragement, and humiliation, that is to say, the proletarianization of our fellow citizens, will lead the current leadership of the CSSD to success.

Writer Claims Stepan's Comeback Real Possibility

93CH0127A Prague LIDOVE NOVINY in Czech
29 Oct 92 p 6

[Article by Petr Prihoda: "A Man With Dangerous Qualifications"]

[Text] The self-assurance with which Miroslav Stepan responds to reporters' questions is surprising and sometimes disturbing. This man, who looks like a bully, at one time represented the iron fist of the former regime. That regime was just disintegrating on an all-European scale, except in our country it looked as if nothing was happening. And so it was easy to fall prey to the illusion that real socialism, particularly in this country, was being fed from some kind of extraordinary sources. Mr. Stepan, at that time, mobilized the militia, directed the January party beatings which took place on Vaclavske namesti, and during the November interim period, when it was not clear who was doing what, he demonstrated an arranger's skill: Before the television cameras, he "squeezed" Cardinal Tomasek in a way which did not show a single cosmetic fault.

In short, he gave rise to fear because he appeared to be the personification of political power which does not easily surrender. His self-assured conduct proves able to give rise to the same fear today which was experienced then. Many an individual feels as though he had met a bogeyman whom he feared terribly in his childhood now in adult life.

It is easy to scatter the irrational component of these fears if we contemplate the political career of Mr. Stepan, and particularly its culmination. In the 1970's, as an advanced school student and a SVAZARM [Union for Cooperation With the Army] official he behaved in the manner required by the normalization. He did not pamper anyone, he fulfilled his political tasks by a method which was far removed from alibiing and negligence and following an interim period served with the International Union of Students, he set his sights at the highest levels.

This was no customarily sponging type career, even though Mr. Stepan, in the name of the International Union of Students, traveled over a good portion of the world. He was not interested in a profitable sinecure, but rather in power. This is precisely where the minus point of his foresight lies. The time of that power on which he

gambled and for which he represented the iron fist for a brief period of time has been totaled up and he failed to recognize it. His heraldic animal kingdom emblem might very well be the aurochs, who commands respect by his thunderous combative temperament, but by nothing else.

The exponents and protagonists of communist power react to its disintegration in various ways. If we were to make use of an evaluation scale which records all possibilities, from realistic adaptation through outright foolishness, we would come up with a combination line. Here, the historical preimages of extreme positions could involve the Husites serving foreign powers on the one side and the unrelenting Japanese survivors who continued fighting World War II in the jungles of the Pacific despite the fact that the war had long since ended. In the vicinity of the "realistic" pole, we would, today, encounter former apparatchiks who are successful in business or comrades from the KGB (reportedly also from the StB [Czechoslovak secret police]) who are maintaining their specialized skills, but have offered them to those who are able to valorize them—to the narcotics Mafias and the expansion-minded Islamic regimes, above all. At the other end, it is likely that we would find Fidel Castro, and a little further away, Slobodan Milosevic.

Miroslav Stepan is not among the qualified defectors, but is not even of the stock of fighters for lost causes. He belongs somewhere in the middle, somewhat closer to the second group.

His creed—that the socialist recipe is suitable for the Third World and that the Soviet leadership committed treason—is a fable which he himself only believes halfway or even less. However, it sounds sweet to those whom November 1989 caught unprepared and who, to this day, have not adjusted to the new conditions. For the most part, they are older, but then again, there are not a few of them.

On the other hand, Mr. Stepan's finding that 99 percent of members of the KSCM [Communist Party of Bohemia and Moravia] are, after all, former members of the pre-November CPCZ [Czechoslovak Communist Party] has something to it. The author of that finding tended to forget that these people lack an autonomous "I," that they are directed not internally, but externally, and that they handled themselves in a bit of a confused way in hitherto unwon class struggles—perhaps much like the CPCZ did prior to its fifth congress. But the above-mentioned statement, together with other statements, created sympathy and hope involving its author and a significant portion of those 99 percent. That was clearly what was at stake.

It is as though Mr. Stepan had been created to start up the differentiation process within the KSCM. This process could culminate in a happy ending, something which J. Veis (LIDOVE NOVINY, 16 October 1992) had in mind, but it could also end up differently. Mr.

Stepan possibly speaks from the soul of the majority of those 99 percent because it will not be so difficult to take them over from Mr. Svoboda. Our man, who continues to have certain qualifications, could easily become the leader of that healthy core. And it could, in the event of the demise of the social conciliation, make an effort to play the leading role among the dissatisfied, of whom there need not be few. The other leftist parties would hardly prove able to compete with him: They are essentially noncombative and are disorderly, helpless, and none of them has a man of bull-like will with a look of a bully.

It will be interesting to follow the conflict which will most likely occur within the KSCM. For the sake of brevity, let us call it "Stepan versus Svoboda." Perhaps we shall then gain the impression that the Messrs. Svoboda, Randsdorf, and others, who are currently viewed by their parties as revisionists and renegades, are, despite all reservations, actually post-November people by outside appearances and that their victory over those others with Mr. Stepan in reserve is not a matter of course.

Such monitoring will not only be interesting, but also useful. The public, including that portion which elected the government coalition, will surely be better off if it will understand what is happening within the largest opposition party and if it will be familiar with all eventualities which can result from this. Just for this reason alone such a monitoring should involve distinction. Distinction means the ability to distinguish. That is one thing that, for example, the newspaper CESKY DENIK is lacking; its editor in chief knows only two classification classes and that is why he throws everything either in one bag or in the other; for many months, his commentaries were being monitored by the Czechoslovak Social Democratic Party, which did not spare any robust words, but did not bring us one whit closer to recognizing that party. The heraldic animal kingdom emblem of observers of this type might quite well be the dog who likes to bark, but has lost his sense of smell.

Leader of Czech Communists on Party's Role

93CH0128A Prague RUDE PRAVO in Czech
11 Nov 92 pp 1, 9

[Interview with Jiri Svoboda, chairman of the Communist Party of Bohemia and Moravia, by Jitka Goetzova; place and date not given: "Only the Unteachable Are Dreaming of a Return to Conditions Prior to November 1989"]

[Text] [Goetzova] At 47, Jiri Svoboda has been chairman of the Communist Party for two years; a party which states that it is undergoing a transformation. Do you consider yourself to be a reformer?

[Svoboda] Basically, yes. However, the changes do not only pertain to the Communist Party—all of society is undergoing a transformation of conscience. The basic

direction of the KSCM [Communist Party of Bohemia and Moravia] was begun in October 1990 at the Olomouc congress.

[Goetzova] Why is it that after those two years many of the members are so vehemently calling for a return to the fulfillment of the conclusions of that congress? That congress at which you were elected to head the Communists.

[Svoboda] I am among them. And all of the members of the leadership with me. I am convinced that this view is also shared by the predominant portion of the membership base—in other words, by everyone who wants the KSCM to become a full-value and equal-rights part of the political spectrum. The program of the Olomouc congress must be purged of some time-limited formulations and conclusions which have been overtaken by developments in society. The basic direction of the reforms, however, must remain preserved. I am not concealing in any way that some “fundamentalists” have remained within the party who claim today that the program of the Olomouc congress was adopted under strong social pressure and that it must be fundamentally reworked at the second congress so that it would be “purely communist.” I consider this stream of ideas which is focused on the past as having no future at all. Simply put, this involves a conflict regarding the character of the party.

[Goetzova] If I understand you correctly, you perceive the upcoming congress as a certain starting point for your party?

[Svoboda] Primarily as one of the crossroads. The congress is supposed to confirm the irreversibility of the program and organizational transformation, the basic character of which is openness toward society and the destruction of all barriers with which the party surrounded itself in the past. The self-appointed “guardians of ideological purity” originate primarily with the former VSP [expansion not given] and are based on various excuses and mechanically repeated concepts which are empty of content which they were forcing upon others all of their lives.

Sometimes, it seems to me that, to this day, they have not comprehended the fact that development prior to November 1989 had no future and the necessity for seeking a new civilizing alternative.

[Goetzova] Do you wish to say by this that you mean to tie in with what the former leadership of Vasil Mohorita did, in your own way?

[Svoboda] It is not possible to overestimate the role of the individual—tens of members of the party shared in forging the program at Olomouc and the final image was participated in by the overwhelming majority of the delegates. Mohorita was a conflicting personality, but most certainly is among those leading officials who, following November 1989, advanced many causes. According to me, he was somewhat overly impatient and

it was difficult for him to be reconciled with the views of others. The party is an organism which cannot be handled like formalin.

[Goetzova] In standing for office as chairman of the KSCM, you expressed yourself in favor of a dual appellation for your party. Many people assumed that the change would soon come about as a result of your actions, but nothing like that happened.

[Svoboda] The mistake of the Olomouc congress was that it concentrated overly much on solving cadre questions and did not devote sufficient room to clarifying its own identity; at that time, I spoke up for the appellation KSCM—a Party for Democratic Socialism, because I continue to consider the historical challenge of 1968 as being inspirational. To this day, there has been no clarification of some fundamental concepts among our theoreticians, but also among the rank-and-file members—we are speaking of socialism and capitalism and, at the same time, everyone visualizes something different as underlying these words. Keynesian concepts, some contemporary concepts of the theory of ownership rights and complicated ownership relationships and business management are something totally different from the capitalism of free enterprise of the last century. It is not by accident that the Berlin session of the Socialist International set as one of the most pressing goals a theoretical definition of the concepts of socialism. The left in Europe, and, thus, also in our country, is seeking a viable alternative for development. At least as far as the basic outlines are concerned, it should also be sought by the upcoming Second Congress of the KSCM.

[Goetzova] Do you believe that the December congress could change the name of the party, despite the fact that the referendum said no?

[Svoboda] Our goal should be permanent openness toward all findings and no question can be banished from discussion. Certainly, even the designation of the party will be discussed at local conferences and from these the delegates to the congress will derive a mandate for decision. However, the problem of the title cannot be solved only at the pragmatic level as to the relationship which society has toward this title. I consider a program which is realistic and which would address underprivileged citizens, ranging from workers through white collar employees all the way to small and medium-size businessmen, to be most essential, a program which would acquire their sympathy for the party as a component of the leftist bloc. I consider the supporting pillars to be the consistent defense of national interests and the offer of social self defense against exploitation, speculation, and antisocial behavior on the part of the state bureaucracy. At the same time, we must be interested in the opportunities of cooperating with the all-European left. If we do not prove able to join it productively, we shall not be able to achieve any of our goals.

[Goetzova] Be specific.

[Svoboda] The naive notions that the KSCM will automatically acquire voters from among those citizens who find themselves at the threshold of social need are an extremely dangerous illusion. We must prove that a socially economic alternative exists of which we are capable, together with partners across the entire spectrum of forces which espouse the left, of asserting and actually and practically implementing in the interest of our voters. As an isolated "sect of orthodox believers" we would be constantly more relegated to the margin of real social processes. I consider it to be absolutely absurd if some members of the KSCM are afraid that our program will draw closer to the European socialist movement. The historical challenge is precisely the opposite: We must primarily seek that which unites us and not attach any kind of imaginary exclusivity to the standard.

[Goetzova] You referred to the transformation of the KSCM into a modern leftist party some time ago as a mere slogan or a phrase. Do you persist in this view to this day?

[Svoboda] Yes. In relation to those who operated with this concept without being capable of expressing a program substance of this change and only looked for it as a surface manifestation in an external expression—in a change of title.

[Goetzova] You are speaking of changes within the party. Why then are the other opposition parties isolating you?

[Svoboda] The public is far too easily swayed by declarations made by representatives of some parties. In practical politics, whether someone likes it or not, collaboration undoubtedly exists, ranging from the level of community representative all the way through the highest legislative bodies.

[Goetzova] Do you mean to indicate that they do not wish to declare this to the outside?

[Svoboda] I believe so. It is impossible in the countries of central and East Europe to create any kind of broader base for leftist policies without the so-called postcommunist parties. This should be contemplated even by the representatives of the West European left because otherwise, for example, the Czech Republic could become a bastion of conservative thinking. It is not by happenstance that Vaclav Klaus recently said that he most fears the export of the socialist concept from Western countries to Czechoslovakia and that it is necessary to create a barrier against this export.

[Goetzova] Your congress is approaching. The political parties are undergoing internal crises. Is the same true of the KSCM?

[Svoboda] We are passing through a complicated internal differentiation period. The so-called Marxist-Leninist fundamentalists, who are predominantly in their postproductive years and, therefore, do not have

adequate daily contact with citizens who think otherwise, are once more spouting pungent phrases without being capable of realistically capturing the actual social interests of the workers, white collar workers, or of young people. And at the same time they are calling the leadership of the KSCM "militant fundamentalist anti-Communists." I say to these "theoreticians" that the party is not a religious community which derives its activities from some kind of articles of faith. I recommend that they go into the streets and address their formulations to the citizenry—to the extent to which they can recruit them to vote for the party during the elections, that they prove the truthfulness of their theories by verifying them in practice. As far as I know, however, not one of them has thus far decided to do so.

[Goetzova] And another wing?

[Svoboda] The pragmatic center which is attempting to recognize and analyze social economic interests among the unprivileged citizenry, to forecast developments, and to offer solutions which we would express in a brief, clear, and understandable program. In brief: to seek answers to that which vexes people, to that which they imagined would be different in social developments following 1989.

[Goetzova] Are you afraid that the fundamentalists might win?

[Svoboda] Their success would mean a disappointment for thousands of honest party members who did not consider their party cards to be a small business authorization and were willing to experience even many wrongs and to assume the burden of guilt for the actions of others, actions which they themselves did not commit. I participated in tens, possibly hundreds, of meetings and I therefore believe that such a turnaround is impossible.

[Goetzova] The KSCM is saying that it has one of the most democratic organizational orders. As can be seen, it probably has its pitfalls. Otherwise, Mr. M. Stepan could not become a member of the KSCM. If the basic article accepted him as a member of the party, not even your Central Committee can change anything with respect to that decision.

[Svoboda] As a result of natural, humane motives, some members are asking themselves why membership should be denied particularly to him. The statements made by M. Stepan in his book as well as in newspaper articles, in which he casts doubt on the legitimacy of the extraordinary congress of December 1989 and, thus, onto everything to which we ascribe the current existence of the KSCM, indicate, I am convinced, that he is attempting to climb aboard a "time machine" and to return to a party which existed prior to November 1989. However, the "Stepan cause" is artificially created and is being assigned importance by the communications media. I pose the question: Why is this happening? From the standpoint of the activities of the party at a time when,

after 74 years, the common state is breaking up and tens of enterprises are on the brink of bankruptcy, this is a marginal problem.

[Goetzova] Just like you speak of the transformation of the party, I am convinced that several tens of such basic links could be found, perhaps hundreds, and that they do not understand or do not wish to understand the changes occurring within the KSCM.

[Svoboda] Judging by the echoes I receive in the form of letters, I seriously doubt that. The overwhelming majority of the members of the party are among those that work honestly and have worked honestly their entire lives. Dreams of returning developments to a time before November 1989 are dreamed only by the unteachable, together with those who benefited in a parasitic manner from conditions in those times through the most varied advantages—however, the overwhelming majority of the latter people have long since changed their garments and are successfully active in the uniforms of the right. Anyone who compromised the party and shared the blame, in leading political functions, for creating those conditions which brought us to the threshold of November 1989 does not have the moral right to put his stamp on current activities and policies.

[Goetzova] Those are fighting words, Mr. Chairman. There is no point in hiding the fact that there are many such people in your party. Should their membership be rescinded?

[Svoboda] Primarily, they should be the ones to judge the degree of coresponsibility—I know many who did so honorably and who, therefore, do not perceive the need today to be seen on the front page of the newspapers with smiles which caricature the grimaces made by U.S. presidential candidates. Unfortunately, the current and often very cynical political conditions are fertile ground for such grimaces. It is sufficient to become familiar with the case of the “deputy chairman of the ODS [Civic Democratic Party] and the deputy chairman of the federal government, M. Macek, and his partners.” The slogan which states that “If big money is involved, then the colors of party cards are not all that important” is definitely not part of our program.

Slovak Police Caught Shadowing Czech Journalist
93CH0182A Prague METROPOLITNI TELEGRAF
in Czech 1 Dec 92 p 3

[Article by Lubor Kohout: “Is the Slovak Republic Police ‘Tidying Up’ in the Czech Countries? Journalist in Jeopardy”]

[Text] Yesterday we wrote about the incident that took place in Pardubice on Thursday. A journalist from the NECENZUROVANE NOVINY, Jarmila Kudlackova, published an interview with the director of the investigation department of the Slovak Ministry of the Interior, Leonard Cimo in NECENZUROVANE NOVINY No.

25. The latter emigrated to Switzerland after the elections this year and was granted political asylum there. A considerable portion of the interview was about Vladimir Meciar, and Leonard Cimo and Jarmila Kudlackova even revealed a part of Meciar's private life, which is considered to be taboo; this included, among other things, Meciar's intimate relationship with his secretary Ms Nagy. We have obtained additional information about the incident on Thursday:

In front of the Kudlacek couple's home in Pardubice at precisely 1115 that morning, two Slovak-speaking men questioned a worker repairing the building. They asked him whether Mrs. Kudlackova was at home. The workman said that he would see, told them to wait, and ran up to the second floor where the Kudlaceks have their apartment. Mrs. Kudlackova said the following about the incident: “He came to my apartment and said that two Slovaks were waiting for me in front of the building. Before I had a chance to answer him, I noticed that two strangers were standing behind him: In our private building and apartment, with no permission or invitation whatsoever! They did not introduce themselves or show any identification, and immediately asked where Mrs. Kudlackova was. I did not tell them who I was, instead, I told them that Mrs. Kudlackova had gone into town and would return after lunch. They replied that they were in a hurry to get to Prague and they left. At the time, I thought that they really had gone, but my daughter noticed that they were sitting in a black car, watching our building. The rest happened exactly as you reported it in today's METROPOLITNI TELEGRAF.”

After leaving the house, the men climbed into a passenger car with the state license plate BAT 24 31, parked it a short distance away, and watched the entrance to the building and the street. Jarmila Kudlackova contacted the senior editor of NECENZUROVANE NOVINY, Petr Cibulka, and the Federal Intelligence Service [FBIS]. The FBIS sent four agents to the Kudlacek home in Pardubice and, since it has no practical jurisdiction, it coordinated its action with the Pardubice police force. After the FBIS agents arrived at the location, and the squad in the car with the Bratislava state license plate noticed that they were being filmed from the rear with a video camera, they tried to drive away. Before they turned off the street, a marked police car passed and stopped them. The members of the squad in the car identified themselves as Slovak policemen.

We will let Jarmila Kudlackova tell the rest in her own words again: “After the incident, our neighbors told us that various cars with Slovak license plates had been parking in our street since Monday. They had even seen an elegantly dressed man get out of a blue car with a Bratislava state license plate and go up to the door to our building the day before the incident. That means that I have been under surveillance at least since the beginning of the week.”

So far, the employees of the Slovak police have not violated the sovereignty of a state. Their behavior is a

warning that demonstrates the methods they are willing to employ. Naturally they did not inform their Czech colleagues about their actions.

The reaction of the Slovak agencies is very strange; the individual who sent the policemen to keep the Czech journalist who had published unpleasant facts about Vladimir Meciar under surveillance probably violated the law. Jarmila Kudlackova's relatives are afraid she may be kidnaped to Slovakia, and the actions of the Slovak police indicate that their fears may be justified.

True journalists cannot be subservient toward individuals who are powerful. Since the elections in Slovakia, the HZDS [Movement for Democratic Slovakia] has been "tidying up" the profession of journalism and the news media. If they intend to introduce their distinctive, actually StB- [state security-] like methods of doing this in the Czech Republic, too, the initiators and offenders should receive a sharp rap across their knuckles.

Teacher Sends Open Letter to Meciar

93CH0136A Bratislava KULTURNY ZIVOT in Slovak
11 Nov 92 pp 5-6

[Open letter by Peter Bulla, president of the Teachers Forum of Slovakia: "A Citizen's View"]

[Text] Dear Mr. Prime Minister of the Slovak Republic:

Allow me to introduce myself at the start of my letter. My name is Peter Bulla and I am a citizen of the Czecho-Slovak Republic, of Slovak nationality, married, father of three children, without party affiliation.

It is an unwritten rule that a new government is granted a hundred days to show what it is about. It is a somewhat brief period, yet long enough to indicate the first contours of the policy the new government intends to carry out.

It was my belief, Mr. Prime Minister, that after the parliamentary elections you would focus on resolving the most important problems you discussed with such fervor at your preelection meetings. In the first place I hoped that you will take aim at tax evaders. Then I believed that you actually had at the ready a team of experts for the government. Finally, I believed that you had prepared a program of economic development which you kept so secret prior to the elections. But the time that has elapsed since the election has convinced me clearly that the moment has come to cry, "See, the emperor has no clothes!"

I am neither a politician nor an economist and so kindly allow me to express the opinion of a citizen of this state. But first one piece of advice. Go and meet the people. Just so, unofficially. Not at meetings attended by your admirers, but move among citizens at random and ask them how they are doing and what worries them. You

will find very quickly that it is not Slovakia's emancipation, nor subjectivity under international law. Declaration of Sovereignty or the Constitution, but rather mundane problems such as high prices in the stores, low wages, unemployment, human relations, poor services, bureaucratic hampering the development of enterprise, unsuitable laws and so forth.

What have you and the government composed by you actually accomplished during this period? You have succeeded perfectly in setting citizens of the Czech and Slovak Republic against each other. In that you found the ideal partner in the prime minister of the Czech Government. Together you agreed to divide this common state which has faults but also undeniable advantages. You two already have enough and you figured out pragmatically that this will be best for you and your supporters. I am not using the term "you two" ill-advisedly. After seeing a few examples of the way you act and conduct yourself in public I have understood that you are in full control of your political group. There is in it a rare identity of all views—with your own. The citizen is for you a mere insubstantial element you address only when it suits you. But you do not regard him as bright enough to make a decision on the kind of state he will live. And the citizen keeps silent. Indeed, why not. For tens of years he was silent, so why should he change now?

You are driving this state into unknown territory. And in the name of what? You coined the expression—emancipation of the Slovak nation. It is the tragedy of some citizens of the Slovak nationality that they swallowed your line on how accomplished and smart the Slovak nation is and how the world is only waiting to welcome Slovakia's representatives in the United Nations Organization. You have shown Slovaks their new enemy—the Czechs. You assert that Slovakia is predestined to take its fate into its own hands. You pass yourselves off as fighters for the nation and will pass yourselves off as anything else that may keep you in power. You do not realize that in a few months and perhaps much sooner those now singing paeans to your will curse you for their unbearable social problems. This will be only one of the sacrifices for emancipation.

It surely feels great when I can say that I live in Slovakia, that I am Slovak. I never had a different feeling and did not have to wait for you to become conscious of it. As a representative of a teachers organization I spread the good name of Slovakia in the world at a time when you fought hard against Slovakia becoming more independent. Do not believe that the world is waiting eagerly to recognize Slovakia and in the same breath condemn Czechs for having oppressed us. I don't claim that relations between our two nations were or are good. I cheered you when at the beginning of your first terms as the Slovak Republic prime minister you fought for Slovakia's equal rights in the CSFR. In this I will support anyone because I believe that such a state of affairs can be attained for the benefit of all CSFR citizens. At the same time though, unlike you I will never forget the gratitude owed to citizens of the Czech Republic for

helping us Slovaks attain such change as we have been able to attain since the beginning of the common state. Sure, it could have been much better but nothing ever is perfect. But who denies the help Czechs have given us whether in the sphere of education, culture, or other areas of our life simply lacks objectivity.

I am convinced that the majority of citizens of the Slovak and Czech Republic wanted and perhaps still today want to live in a common state. This does not make them any worse than those who advocate dividing the CSFR. That's not where I see the problem. We have here two groups of citizens whose interests differ diametrically. This is natural. Whoever claims that the citizens have decided in the elections is not telling the truth—be it Mr. Klaus or anyone else. You know very well that both prior to the elections and for some time afterward there were extensive discussions on what a subjectivity under international law actually means. I dare say that most voters in Slovakia did not identify the reference to subjectivity under international law with an independent Slovak state. They were interested in completely different passages from the individual parties' election programs. So, if there are two groups with different opinions, who will decide on the direction these two republics will take? This must not be just two people, or ten, but rather the 15,000,000 citizens of this state. To this day no one has convinced me that the breakup of this state will benefit its citizens. There is talk about close cooperation after the breakup, but somehow not on the same wavelength. When one spoke of a single currency or possibly a currency union, the other denied it. One asserted that of course we will not divide up the Army, the other said—no common army. On the one hand there is talk about a close interconnection of the economies, on the other the talk in Slovakia is about coupon privatization as merely a supplemental measure. This is a mere torso of what convinces me that this pragmatism of yours is solely for the outside and that you don't have a clear idea of how it will actually work on "the day after."

Only now we see fully naked the nonsensical nature of the steps you propose: Declaration, Constitution, Referendum which lead into a blind alley. You accuse each other that they, the other side, do not want while we are ready. The citizen will not care a hoot who will be left with the fool's card in hand. The citizen wants to live in a free, democratic and especially a prosperous state.

Mr. Prime Minister, your basic slogan is, "Who is not with us is against us." You advocate plurality of opinions but only for those agreeing with your opinions and intentions. In the very short time that you have been in power Czecho-Slovakia's and especially Slovakia's credit in the world sank even deeper than during the totalitarian regime. The world is laughing at us and at the same time gains a picture of us which pushes this state to the level of developing countries. Certainly, they will assure us how they admire our "velvet divorce" because they do not desire another conflict in the center of Europe. But at the same time they shake their heads not

understanding and asking: "What kind of nations are you when at a time of grave economic difficulties you choose to head for the unknown?"

You promised to staff the chief government posts with experts. The actions of many of these experts raise doubts and mistrust in the world. Consequently, we see embassy closings, reduced willingness and worry about investing in our country, delay in signing the association agreement. Is this the proclaimed greater visibility of Slovakia in the world?

Completely at odds with the government program statement is for instance the approach to the education ministry when it took your government nearly three months to fill the post of the education minister, something hardly conducive to "assuring a calm working environment in the schools" (quoting from the government statement). You were given the people's trust, so don't disappoint it. I am convinced that the majority of HZDS [Movement for a Democratic Slovakia] members do not agree with your actions. But they are becoming mere pawns on the chess board and you determine their fate. Many times you convinced me that you are neither a democrat nor a person concerned with the Slovak nation. Do not be blinded by revenge. You can certainly feel aggrieved by the way you were recalled from the post of prime minister. But this does not entitle you to solve your grievances by rushing the Slovak nation into an uncertain situation at a difficult time. Your mouth is full of promises but only the near future will show what is behind them. Your mother recently proclaimed you as the leader of the Slovak nation. But this nation does not need a leader, rather it needs people whose concern for it is sincere. Not in words but in deeds.

Trnava University Situation Described

93CH0160A Prague METROPOLITNI TELEGRAF
in Czech 24 Nov 92 p 9

[Interview with Trnava University President Dr. Anton Hajduk by Denisa Cimova; place and date not given: "Trnava University"]

[Text] Trnava University [TU] was established by a law of the Slovak National Council on 25 March 1992. (On 15 May 1992 Dr. Anton Hajduk was appointed president of TU by a decree of the President of the Republic.) On 25 August, the minister of culture, Dusan Slobodnik, who was entrusted with administering the Department of Education, asked the TU president to turn the leadership of the university over to Professor J. Kovac. (His justification of this step was that the appointment of Dr. Hajduk was not in accord with the Law on Institutions of Higher Learning No. 172/90, because Dr. Hajduk was not at the time of his appointment either a docent or a professor.) On 9 September, Dusan Slobodnik broke into the premises of the university and had the locks on the president's office changed. (Other steps against the university were taken by the newly appointed Minister of Education and Science, Matus Kucera.) He set up an

alternative registration for the university in order to confuse the students. (When that did not bring results, he closed the TU account. The university lives today thanks to the support of citizens, sponsors, and institutions.) According to M. Kucera, the university is not sufficiently prepared and the deputies of the National Council of the Slovak Republic should decide its future. (The minister of education proposed leaving the students in Trnava and establishing a separate campus there of the Department of Philosophy and Education of the Komensky University.) Docents and professors from Bratislava would travel to Trnava to teach. We talked with TU President Anton Hajduk about days past, present, and future.

[Cimova] Dr. Hajduk, how do you feel as the invalidly-appointed president of an inconvenient university?

[Hajduk] I told Mr. Slobodnik at the very beginning to settle the question of appointing a president in a legal way. A legal way to do it exists—turn the matter over for consideration to a court which can rule on the validity or invalidity of President Havel's decree. So far nobody has done that. Although some high political functionaries believe that the appointment and the validity of the decree is not in accord with the law on institutions of higher learning, on the basis of expert opinions, for example of Mr. Hollander, I think that from the legal point of view it is not quite that unequivocal. But if a court rules on the issue, and rules that the decree is invalid, then at that moment I cease to be the president. Then there will be nothing to discuss. But so far nobody has made such a ruling, and I am still legally the president.

[Cimova] The minister of education, M. Kucera, uses as an argument against your university the assertion that some departments were set up that were not in the plan, and on the contrary some planned combinations were not established....

[Hajduk] I believe that this is just a follow-up argument which they used when their original argument failed. They absolutely insisted that they would have had nothing against the university if an illegal procedure had not been used to name the president. No problem existed until that time. Not with the departments, not with accreditation, no political problem either. All the steps that the Ministry of Education took—naming a first, a second, and then even a third statutory deputy, all of whom, however, turned the position down, and setting up a second registration for which students did not sign up—failed. They therefore resorted to other arguments which uninvolved people might swallow.

The originally proposed departments were to be set up when the required 14.5 million korunas [Kc] to operate the university was met. The National Council approved only Kcs4 million, and that in itself already made it clear that it will not be possible to open all the planned departments. The minister also made the point that three departments in the medical field were not included. But

when we published an advertisement listing the planned departments, the Education Department of the Ministry of Health sent us a protest. We arranged discussions with the representatives of the Medical Association and the Association of Health Care Workers. It was decided that the only department which would be acceptable to them and which we could open would be the Hygiene Department, that is, preventive medicine. We therefore set up only that department. We did not act arbitrarily but in the interest of all involved parties. We had to act on the basis of what they will allow us and what will not cause any conflicts. We could have, of course, proceeded in accord with the parliament's resolution on fields of study, but then we would have against us now not only the Ministry of Education but the Ministry of Health and the associations as well. I don't believe that would have been a wise thing to do. As far as the social sciences are concerned, the minister has problems with two departments—political science and philosophy. He protests that we do not have qualified people in those disciplines to teach them. I would advise him to take a look at the qualifications of people in those disciplines on other faculties. We could have had several docents of Marxism but we did not want to teach Marxist philosophy. We therefore invited people who studied those disciplines privately during the past 20 years to lecture here. Professor Kusy studied political science privately, when he was not able to teach after he parted with the communist ideology and regime.

In addition, I asked international institutions for help, to send us professors who would give series of lectures for our students. We have been promised lecturers from Innsbruck, England, even from Oxford. But first of all we have to train our students in foreign languages.

[Cimova] The Minister of Education is in the habit of pointing out the personalities on the faculties of your university; the often-mentioned names are educators Kusy, Pisut, Simko, Szomolanyiova. Do you think that if those people were not active at the university, the attacks on TU would not be as hard?

[Hajduk] We have 65 lecturers and only some of them have a full-time position. I think that to pick out only a few names out of those 65 people is a bit much and that it is designed mainly to confuse people. Mrs. Szomolanyiova does not teach at TU, even though I would be quite happy if she did. He is mistaken.

It is wrong to argue that the entire university is ODU [Civic Democratic Union] or KDH [Christian Democratic Movement], because the people in question represent less than 10 percent of the whole faculty.

The people who are actively working against TU are from the Trnava HZDS [Movement for Democratic Slovakia]—Deputy Matejka, J. Kovac.

The reason for the attacks against TU is not the fact that the above-mentioned people are teaching there but that the governing party does not have a guaranteed leading role in it. That is the main reason.

I am aware that there have been some cabinet-level discussions and they tried to indicate to us that if we were to give a statutory deputy, named by the minister, the power to make some changes in the faculty and reform the new academic senate, then the university could exist. That is obviously a way to guarantee a leading role of the governing party. If we were to accede to it, then it would no longer be a university but an ideological institution providing education of a certain orientation and by a certain party. We had this sort of thing here for 40 years, and if we were to continue like that, then better not have any university than to have one like that all over again.

[Cimova] There were stories in the press that Slobodnik offered you help in getting your docent degree if certain people will not teach at the university. How much truth is in that?

[Hajduk] No, he did not offer me anything of the kind. Before the locks in the university were changed, I had a private discussion with him for about one hour. He tried to convince me that it would be wise to create a three-member commission which would be composed of Mr. Harach (Mr. Slobodnik appointed him as a statutory deputy), Mr. Brila, who is at present adviser to Mr. Slobodnik, and I could be the third member. The commission would create new academic bodies, meaning that a new president and senate would be elected, and I could teach at the university. There were several things wrong with that offer. I, as the representative of the university cannot change what the senate has already decided, the decision can be made only by the senate. It was already established at that time, and the president cannot arbitrarily say: "Very well, I agree, never mind the senate." That would be against the law and therefore the offer itself was against the law.

I do not need anybody to earn my docent degree. I have applied for it and I have enough material to defend it. (In the meantime, he did—editor's note). I thought the offer strange, and I saw it as an effort which continues to this day—set up some kind of group that would have the authority to make changes in the faculty.

[Cimova] How do you feel when you hear M. Kucera's statement insisting that the graduates of your university will not find a place in society?

[Hajduk] I think of it as socialist planning, because by that he wants to say that he will automatically place graduates without regard to who is the best. Respect in society is earned by a university whose graduates show a good record of accomplishments. I have the impression that the minister is proscribing competition and preventing the better ones from making an effort to excel before they even start. They will therefore admit students only to the existing universities, and they do not admit of the possibility that someone could train better students in a given discipline. He froze our account because of our alleged lack of readiness, although it is interesting that he did it before he had the necessary data

at this disposal. The minister also asserts that we have too few professors with a full-time appointment, which is absurd, because the teachers have two- to three-hour classes and it is difficult to give them a full-time appointment. Especially if he freezes the budget, does not give people money, and then is surprised that they are not given a full-time appointment. I see in that an effort to make teachers dependent on additional income from the Ministry of Education. Because if they are teaching on the outside they are not dependent on the ministry, they do not fear for their livelihood, and it is more difficult to exert pressure on them. That was the minister's objective—create dependence on his ministry.

[Cimova] When you talk about quality education, money should not play the main role. But do you think it is ethical to freeze an account in which there is money the students have paid for their education?

[Hajduk] That really is a brutal intervention, I would say worse than the change of locks in the university, because it freezes the wages of the ordinary secretaries, workers in the chancellor's office, or in the kitchen as well. It is a totally brazen step which has no analogy anywhere in the world. It is totally illegal and it is certain that people will sue for the money. The minister's objective obviously was, while aware of the illegality of this step, to make sure that we have problems with the personnel, to break down their morale.

[Cimova] The students at your university live in a certain atmosphere of togetherness, solidarity. Are you not disappointed that students in other institutions of higher learning do not show interest in the fate of TU, or are afraid to express their opinion?

[Hajduk] I am somewhat taken aback by the fact that students are relatively silent about this affair, that they have not yet expressed their opinion about it. I know that at some places they organized collections for the benefit of TU, but so far such activity is not a mass movement by the students. Perhaps the reason is that they need time until the affair reaches a stage at which they will consider it necessary to speak up. In the meantime, teaching in our university goes on, so maybe they think that matters will go back to normal. I presume that if the ministry wanted to make a severe intervention in the teaching process and thus, as the minister indicated, "scatter" the students out of the university and destroy it, the students from other institutions would not remain indifferent.

[Cimova] Precisely two years ago Professor Kusy made a statement to the effect that fear and humility can be coerced, but not respect and dignity. A totalitarian regime is based on the former, democracy is built on the latter. Don't these words appear very appropriate for the moves the present Slovak government is making?

[Hajduk] It is obvious from the acts of ministers Slobodnik and Kucera that they are meant to frighten people. It becomes absolutely clear when we recall Kucera's statement to the Press Office of the Slovak Republic prior to the TU registration, when he said that

only the registration organized by the ministry will be valid. Everybody knows what happened, that he had to accept our registration. It was meant to intimidate, to confuse young people, and it was also an intrusion into the life of families, who had to decide in fear where to send their child who passed the examinations.

But intimidation no longer works in our society to the extent it did during communism. I was surprised myself how consistently students chose our registration, and some even found out for themselves how disorganized the registration at the ministry was, because the man appointed by the minister was not even there.

[Cimova] As a young man you wanted to devote yourself to psychology. How long do you think the students will be able to withstand the intimidation, and when will the public become resigned?

[Hajduk] I cannot predict that, that is a question of the moral strength of our society. There are not many such problems, such focal points where the moral strength of our nation could manifest itself. We became a problem which could serve as a test of our nation. I believe that the nation is strong enough to resist and that coercive methods will be denounced.

[Cimova] Isn't the TU affair a problem which embodies people's disappointment with the postelection developments and with the steps being taken by the politicians in power?

[Hajduk] Precisely because TU is a school, it commands the attention of the entire educational system, and in this way it touches every family. At issue here is the principle of freedom, above all academic freedom, and that is a factor in which the developments in the country are most markedly manifested. It is a barometer that points to where things are going. If the educational system is ideologized and subjected to one party, then the future of the nation will be devastated. We are still struggling with the devastation of the past, it is still with us, and when there appears an embryo of something healthy, independent of political parties, we should guard it with the utmost care. It is aimed at maintaining some plurality, where it is possible to promote views other than those of the government, and teach in a different spirit than in the spirit of the ruling party. In this connection I recall the idea of the minister of education, who said that teaching in TU should be carried out in the spirit of Christianity. I consider this a barefaced statement on his part, considering the fact that he wanted to name to positions of statutory deputies the chairmen of the Communist Parties in those departments where they were active, and build with their help a Christian university, instead of with the people who are there now. They argue that Mr. Kusy, who teaches at TU, talks like an atheist and they want to use that as proof that TU is a university of godless people. But a university that is a true university should be open to all views. Mr. Kusy is an authority on political science, and if it does not bother anybody that he lectures at the Komensky University,

where he is department chairman and is organizing a School of Democracy, I do not see why it should bother anybody that he teaches political science here part-time. The spirit of our university certainly is Christian and most teachers teach in that spirit.

[Cimova] Do you think that if you succeed in keeping TU as an independent university the way you envision it, other schools in other towns might follow in your steps?

[Hajduk] I believe that this is precisely what Minister Kucera and people who oppose TU are afraid of. TU could provide an impetus for independent thinking to flourish elsewhere. But in my opinion that will happen anyway, it cannot be prevented. People's thinking process cannot be stopped; in the end it became clear that 40 years of effort to silence thought did not bear fruit, it failed, and the effort to revive similar totalitarian methods on an ideological or nationalistic basis will not succeed. In the whole world it is obvious where mankind's thinking is heading, and we shall not be an exception.

[Cimova] How do you see the university's future, the most immediate as well as the long-term?

[Hajduk] I do not want to believe that the Slovak parliament would support what the minister of education is doing. I do not believe that the National Council of the Slovak Republic would consider liquidating an already existing university where proper classes are being held, with all the consequence this could have on the international scene. That would be a most unwise way of making Slovakia visible. Moreover, I believe that today Trnava University already enjoys such domestic as well as international support that it would be able to exist as an independent educational institution.

Maj. Gen. Frantisek Vana Views Future Army

93CH0188B Prague REPORT in Czech
25 Nov-2 Dec 92 p 3

[Interview with Major General Frantisek Vana, commander of the Main Operations Directorate of the General Staff and chief of the Working Group for Questions of Army Breakup, by Ladislav Lenk; place and date not given: "An Appeal to Capable Soldiers: Remain in Place!"]

[Text] As we have already informed readers, Major General Frantisek Vana, the commander of the Main Operations Directorate of the General Staff, has been appointed chief of a special working group which is subordinate to the plenipotentiary of the Czech government for solving questions connected with the division of the Czechoslovak Army and with the creation of the future Czech Army, Dr. Jiri Pospisil. In this connection, we requested an interview with him a few days ago.

[Lenk] Let us begin with the basics—what is the composition of your group?

[Vana] This group, which could be said to be a basic group, is composed of a total of nine members. People with the greatest amount of specialized experience were selected for the group, regardless of age. Perhaps many will be surprised that the group includes people who are 53 years old, as well as people who are 35 years old. At the same time, another group was formed which happens to be part of the basic group, but stands a little to one side. It is headed by Lieutenant Colonel Luzny, who completed a 10-month course in the United States this year and who has an enormous amount of theoretical knowledge and experience. His team is made up of people who worked in the military, primarily in the area of creating operations plans and the team is supposed to formulate a kind of first opinion as to how the future Czech Army should look. Every one of us, in other words, every one of us members of the basic nine-member group, then also proposed that it be expanded by the addition of additional officials which in essence augment it. These are people from the operations area, the rear services area, etc. We meet once a week. For example, we had one of those meetings today and we spoke of the very first notions regarding the future Czech Army from the standpoint of its goals, its meaning, etc.

[Lenk] Can it, thus, be said that you are currently working primarily on concepts?

[Vana] The group of which we speak fulfills two fundamental tasks. First, and this is the primary task, to implement the breakup, that is to say, the division of the army. Here, the main role is played by the General Staff and I must say that it is completely without serious problems—not even Dr. Pospisil or myself have thus far felt the need to intervene in that which the General Staff is doing. The second task is then to prepare for the birth of the Czech Army, about which I have already spoken.

[Lenk] Can you at present be more specific regarding the time sequence of the steps on the basis of which the Czech Army will come into being?

[Vana] I can more likely be more precise. The situation looks as though, by 31 December, the activities of the Federal Army will be terminated and, as of 1 January 1993, a Czech Army will come into being. On that day, the administrative portion of the Federal Ministry of Defense and the General Staff of the Czechoslovak Army will become part of the Czech Army with its existing table of organization. There is simply not enough strength available, as some people might expect, to create something completely new at the same time as the breakup is taking place. What is essential, however, is the fact that the ministry and the General Staff will be entering the Czech Army with lowered personnel numbers—we anticipate approximately a 25-percent reduction. I will say so openly—the greatest problems will be in the strategic sector and in the SHV [expansion not given] sector, which employ a relatively high number of individuals and the reductions will thus mean even the departure of some people. In the other directorates and sectors, as we have already found, such problems no

longer exist today, that is to say, following the implementation of lustration proceedings and following voluntary departure by a number of people into the reserves. For example, the Main Operations Directorate is staffed at a 73-percent level. Then a transition period will follow even though that appellation may not be exactly 100-percent correct. It will last from 1 January to 1 June 1993. During that time, sometime in February, it will already become essentially clear what the future structure of the Ministry of Defense and the General Staff of the Czech Army will look like. These components should begin to function within their new structures and with their new personnel numbers as of 1 June 1993.

[Lenk] And as far as the overall prospects for the Czech Army are concerned?

[Vana] From the standpoint of the size of the Czech Army, we are tied by international agreements. For the time being, I can only say that, in the beginning, it will have approximately 93,000 members. But I would not want to say anything about its final status, that is to say, its status in anywhere from three to five years. There are various views regarding this. Some, for example, speak of 40,000, but I believe this is too premature. As long as I am not familiar with the goals, mission, and other inputs, there is no point in speculating about this at all.

[Lenk] We have learned from well-informed sources that, in shaping the Czech Army, the assertion of two different approaches is now being contemplated: According to the first version, professional soldiers will pass to the Czech Army from the existing Czechoslovak Army automatically; according to the second version, selection for the army will begin being made as of 1 January. What can you say regarding this?

[Vana] First, I must say that our group was not officially charged with solving personnel questions. I would therefore give you my personal view. I believe that the solving of personnel questions should be a matter for every commander, every chief. He will do the selecting. How? As an example, I would mention the current period when a number of important tasks or documents were being worked on in real time stress. And I can tell you that, for example, in some sectors of the General Staff groups of 10 people managed to do such work in a short period of time as would be done by the entire General Staff in another situation. By this I want to say that it is up to every commander to evaluate his people and to tell them honestly: "You belong there, and you do not." If he does not do so, then a number of people will again be sliding by in the spirit of: "I will serve until they throw me out." And it is a pity that a number of capable and young people are leaving and that it is precisely those who do not want to leave who are remaining. We must find the strength to tell them so.

[Lenk] Of course, you are speaking of the ministry and of the General Staff. How about the rank and file?

[Vana] For the time being, this does not impact on the rank and file and I expect that it will also not impact on

them for at least the next two years. It would be very bad if we were to involve the military in the reorganization of the civilian administrative sector of the ministry and of the General Staff in parallel. At least within these components, there must be calm and certainty with respect to work. The military has experienced enough and will yet experience a lot more. Of course, I know that on the basis of the concept of creating an army through the year 2005 there is already talk today of the need for a brigade system of organization. But this will not be possible to accomplish until sometime during 1994-95.

[Lenk] You are undoubtedly familiar with the highly complex and tense situation which is currently afflicting military units, particularly as a result of the fact that people do not know precisely what will happen to them. What will you say to them? As the chief of the Main Operations Directorate of the General Staff, but also as their colleague, as a professional soldier?

[Vana] I would make use of this opportunity and would primarily like to say that today each one of us has this feeling of uncertainty. On the other hand, there are certain legal guarantees here and I am convinced that the continuity of military service for a professional soldier will not be disrupted; I am convinced that the Czech republic will take over the laws dealing with professional soldiers, primarily Law No. 76 on military service. I am saying this because a number of people are leaving or trying to leave precisely for that reason; they are saying to themselves: "Will I be able to draw severance pay in January? Will I be able to collect a service contribution?" But I have now had the opportunity of working on a number of laws under preparation, I negotiated even with delegates of the Czech National Council who will form the foundation for the organ which will care for the army. So that I am somewhat initiated in the situation and on that basis I would like to appeal primarily to the clever, capable soldiers of the middle-age and younger age groups not to leave the army as a result of fears that they will have no security. In other words, they should not draw premature conclusions, they should not lose their head, even though it is true that a number of legislative matters have yet to be resolved. But it will surely be, and it has been, a terrible shame to lose the young and the capable.

CSFR Army Breakup Completion Expected by '95
93CH0188A Prague ZEMEDLSKE NOVINY
in Czech 26 Nov 92 p 5

[Article by Jan Sotona: "How Is the Army Being Divided—The Breakup of the Largest Federal Colossus in Full Swing—Completion Scheduled for 1994"]

[Text] *Preparations for dividing the Czechoslovak Army have gotten into full swing. It is now that one can see the most varied highway and railroad transports of military property. Hundreds of tons of materiel, equipment, and munitions will, however, be moving from the Czech Republic to Slovakia until 1994.*

The property of the Czechoslovak Army uniquely represents the largest portion, or approximately two-thirds, of the entire Federal pie.

Defense in Numbers

Expressed in numbers, the cost of defense as of 30 June 1992 had reached a level of 426,097.5 million korunas [Kcs], of which Kcs327,552 million was represented by military equipment, installations, materiel, and munitions dispersed over the territory of the Czech Republic. However, in view of the nonuniform dispersal, the future wealth of the Czech Army will be substantially lower—approximately Kcs293,658 million. The overwhelming portion of this property will be divided at a ratio of 2:1; secondarily, it will be divided in conformance with the territorial principle (primarily, buildings, airfields, and other military objectives).

The inventory of combat equipment indicates that the Czechoslovak Armed Forces had, as of 17 July 1992, 3,208 tanks, 4,487 armored vehicles, 3,404 artillery systems, 440 combat aircraft, and 56 helicopters. The overwhelming part of this equipment will be divided at a ratio of 2:1.

However, the final inventory of both future armies will be influenced by yet another factor. Czechoslovakia is tied in defense matters by a number of international treaties which will also need to be divided. One of the key treaties in this regard appears to be the Treaty on Conventional Armed Forces in Europe which stipulates the maximum numbers of weapons and equipment. According to it, the CSFR is obliged to reduce its equipment to 1,435 tanks, 2,050 armored combat vehicles, 1,150 artillery systems, 345 combat aircraft, and 75 helicopters by November 1995. The treaty will devolve upon the republics in accordance with the ratio key with immediate validity in practical terms. That is why surplus equipment has already been sidelined and concentrated in special areas. Within the framework of dividing the army, it will no longer be relocated and will be marked directly for liquidation.

The Air Force Is the Greatest Complication

While the ground forces have been relocated about the territory of the CSFR in general in a uniform manner within the framework of the relocations which have been ongoing in the army since 1990, the overwhelming majority of the airfields are still located on the territory of the Czech Republic, as a consequence of the defense orientation of the former regime which was aimed against a possible attack from the West. Thus, the Air Force and air defense components are clearly becoming the toughest nut to crack in dividing the military. It is primarily for Slovakia that military airfields will be built with appropriate technical support in an effective system of defense, even despite the adequate amount of suitable equipment available there, and this will likely result in a significant financial problem. A major complication is also represented by the unusual number of various types

of aircraft used by the Czechoslovak Air Force. In dividing this inventory, not only the selection of models must be taken into account, but also the types of aircraft used for training pilots who intend to serve in one or the other of the republics and the type of aircraft which can be used in possibly retraining these pilots.

Can Transfers of Officers Be Anticipated?

In addition to property and technical crafts, it is not possible to forget the human factor. According to data provided by the Federal Ministry of Defense, some 2,580 officers and noncommissioned officers of Czech nationality are serving in Slovakia; in the Czech Republic, there are 8,685 professional Slovak soldiers. They will have to decide, by the end of the year, whether to remain or to move to their native republic. The results of a preliminary survey conducted by the Ministry of Defense among soldiers indicate that they are not inclined toward any kind of mass "green" migration. Despite the fact that the leadership of the ministry has cast doubt on this poll, pointing out that only a small portion of the military personnel participated in it, even here the balance is coming out looking more unfavorable for Slovakia. Interest in returning is being evinced primarily by young and inexperienced officers who are not yet tied to the locations of their service by family ties, friendship ties, or property ties, as are a number of their older colleagues. A particularly critical status is threatening the future army of the Slovak Republic as a result of the shortage of real specialists from the ranks of the current Ministry of Defense and the General Staff in Prague and, of course, in the air force. Not a few of those who were contemplating returning from Bohemia and Moravia were surely dissuaded from doing so even by the threats issued by the Association of Slovak Soldiers. It is, therefore, no wonder that it is precisely air force personnel which are engaged in current intensive conversations with the Ministry of Defense, at the latter's initiative.

National Armies at the Starting Line

In creating command structures, the Czech Republic has a considerable advantage. As of 1 January, to say it in a simplified manner, some of the officials from the current Federal Ministry of Defense and the General Staff in Prague will depart for Slovakia and those that remain will begin functioning as the Ministry of Defense and the General Staff of the Czech Army. On the other hand, the Slovak Republic will have to build these structures from the start on the basis of the current Military Headquarters for the East in Trenčín which is favored as the location of the Supreme Headquarters over Bratislava not only by the already partially existing ground forces command but primarily because of its strategically more advantageous domestic location. As has already been stressed several times, in creating their future national armies, both political representations will be making efforts to rid their combat organizations of the hitherto surviving so-called Soviet syndrome. While in Slovakia the plan of this rebirth is directly connected with the

development of the army, in the Czech Republic, according to competent representatives, such development will be taking place over a longer time frame. Thus, even here, the armed components of the Czech state could make use of some Slovak experiences.

The future Czech Army should, according to the notions entertained by the current political representation, be transforming itself within a realistic time frame into a small, modernly equipped, and fully professional military.

Current Slovak Living Standards Surveyed

93CH0201A Prague DOKUMENTACNI PREHLED
in Czech 4 Nov 92 pp H 1-2

[Unattributed article: "The Social Situation in Slovakia"]

[Text] The process of economic transformation in Slovakia is connected with economic decline, the growth of unemployment, and increases in the cost of living.

Unemployment

The pace at which unemployment has grown has slowed this year. As of 31 December 1991, labor offices had registered 301,951 unemployed, which represented 11.3 percent of the unemployment rate. In September 1992, the number of the unemployed declined to 266,117 and the unemployment rate declined to 10.9 percent. The highest rate of unemployment is noted in the okreses of Trebisov—20.11 percent; Cadca—18.09 percent; and Dunajská Streda—17.6 percent. In the okres of Bratislava-urban, Liptovský Mikuláš, and Košice-urban, the rate of unemployment is ranging from 4.46 percent through 7.35 percent. The highest rate of unemployment occurs in okreses with high agricultural employment and in okreses with a high number of commuters. The largest number of applicants per available job is recorded in Cadca Okres and the lowest number of applicants occurs in Bratislava. Unemployment impacts more on women, young people, unskilled persons, the handicapped, and citizens of Romany descent. The prolongation of the time individuals are unemployed is becoming a serious problem. The average total time of unemployment in Slovakia is 11.8 months. The government of the Slovak Republic considers the program to create new jobs to be an economic priority.

Prices

The stability of personal consumption is, to a considerable extent, influenced by the level of consumer prices. During the second quarter of 1992, these prices grew at a slower pace. In May 1992, consumer prices in the Slovak Republic had become essentially stabilized. In comparison with April of 1992, they increased by 0.3 percent. A slight decrease in the price of foodstuffs continued; for example, price reductions became effective for eggs, fats, milk, and milk products. The prices of nonfoodstuffs rose by 0.6 percent, which was the result

of price increases affecting sanitary and health products, toys, school and office supplies, books, and construction materials. In public catering, prices rose by 0.2 percent and residents in the Slovak Republic paid 0.3 percent more for services.

According to data provided by the Slovak Statistical Office, prices in May 1992 were 61.1 percent higher than had been the case in December 1990.

Cost of Living

The rise in consumer prices is causing an increase in the cost of living for all social groupings. In view of the rise in the cost of living in 1991, real wages, when compared with 1990, declined by 23.3 percent. The situation affecting individual social groupings did not change expressly during the first half of 1992. Average wages during the first quarter in the Slovak Republic were 3,866 korunas with real wages rising by 1.5 percent. Within the structure of household expenditures, expenditures for foodstuffs and industrial goods are declining, whereas the share of expenditures for rent, services, and insurance is rising. The socially most threatened households at present include young families with children and the families of nonworking pensioners. According to data provided by the Ministry of Labor, Social Affairs, and Family Affairs of the Slovak Republic, some 15 percent of families with children in Slovakia are living at the margin of the minimum standard of living.

Privatization Not Viewed as Social Revolution

93CH0190C Prague HOSPODARSKE NOVINY
in Czech 11 Nov 92 p 8

[Interview with Dr. Petr Loma, minister of public health of the Czech Republic, by Anna Cervenkova; place and date not given: "Privatization Is Not a Social Revolution"]

[Text] *The deadline for submitting the first portion of privatization projects in the health care industry was set for 31 October. The privatization of the health care industry is a process which literally impacts vitally upon every citizen of our republic. That is why we asked Dr. Petr Loma, minister of public health for the Czech Republic, a few questions.*

[Cervenkova] Is there much interest among physicians in privatization?

[Loma] The deadline passed recently, it is, for the time being, not possible to precisely quantify any interest. Nevertheless, I believe that it will be enormous. I judge that it would be so according to the number of applications for privatization consultations which we offer at our ministry and by the high number of attendees at all meetings and health care workshops which are arranged for privatization purposes.

I also note the substantial qualification leap in the thinking and actions of health care workers. Whereas six

months ago questions as to what privatization actually was in the health care industry were being solved, three months ago, it was a question of whether to privatize or not, and today I respond to health care workers in answer to their precisely formulated questions on the conditions for going into business (for example, on whether to issue credits, etc.).

The health care public very correctly realizes that the privatization of the health care industry is an absolutely unique opportunity; under favorable economic conditions, it is possible to acquire facilities for the conduct of health care practices at book prices. Health care personnel have also become accustomed to the idea of a credit policy. Of course, the returnability of investments, which will depend in decisive measure upon the level of compensation provided by the General Health Care Insurance Institution, remains a problem. Currently, this level is not overly motivating, but health care professionals are realizing that their clientele is just now forming.

[Cervenkova] In what way is the Ministry of Public Health prepared for the process of approving privatization projects?

[Loma] We realize that hundreds of public health facilities are up for privatization and that it is very likely that several competing projects will be submitted with respect to any one such facility. That is why I believe that it will be advantageous if it will be possible to assure that a specialized opinion at the okres level accompanies the submitted projects. That is why we have decided to establish specialized okres privatization health care commissions, made up of several members, in which representatives of the community, the okres office, and various health care and trade union organizations and institutions will be represented. I am convinced that these commissions can, at the local level, be the best judges of privatization intentions. It is important to stress that these specialized commissions only give their opinions, but do not make the decisions. The Ministry of Public Health of the Czech Republic will make the decision on privatization projects which have to do with health care bed facilities or transfusion stations and will also express its position with regard to various specialized disputed cases. For this purpose, the number of employees in the privatization department of the ministry will be temporarily increased.

[Cervenkova] Will the various medical chambers be controlling the quality of services rendered and provide a guarantee of specialization? Does the ministry have control authority?

[Loma] Czech National Council Law No. 220/1991 SB. [COLLECTION OF LAWS], dated 8 May 1991, gives the Czech Medical Chamber, the Czech Stomatological Chamber, and the Czech Pharmacological Chamber a certain amount of autonomy and the ministry does not have control authority with regard to these organizations. I am convinced that all three identified chambers

realize that, as a result of the expansion of privatization, they must be prepared to execute authority delegated to them by organs of state administration, that is to say, to sit in judgment over the corresponding levels of individual nonstate health facilities and must be prepared to issue their own certifications.

In addition, they will have to solve other problems involving the employment of midlevel and lower-level health care personnel in private health care facilities.

Their important duties will undoubtedly include checking on the method for the provision of health care, particularly from the ethical standpoint. In short, the chambers will have an entire series of important duties, they will engage in duties transferred to them by state administrations and, to the extent to which views were heard in the past that the importance of the chambers is overestimated, the upcoming privatization in the health care industry will prove that the chambers have their irreplaceable role.

[Cervenkova] Which facilities will not be privatized?

[Loma] Primarily, these will be all of the facilities and all organs through which the state exercises its control function. These facilities can naturally not be privatized. And some selected specialized therapeutic research institutions and faculty hospitals.

[Cervenkova] When will the first privatized facilities begin functioning as private organizations?

[Loma] The first private facilities are already functioning as of April and May of this year. They number in the tens already. However, privatized facilities cannot come into being until privatized health care facilities have been taken over. It is necessary to recall the harmonogram of privatization in the health industry. The first subwave of health care facilities (569) was announced on 7 July. The deadline for submitting privatization projects was extended to 31 October 1992. Then the two-month period set aside for processing started. Only after that, that is to say, after 1 January 1993 at the earliest, can this privatization be realized. We anticipate that by the end of March 1993 the majority of privatized facilities will have been taken over and could begin functioning.

[Cervenkova] What measures have been taken to assure the smooth transition from state care to private care?

[Loma] In the true sense of the word, state care no longer exists because health care facilities, hospitals, and large polyclinics have their own legal standing. However, transition toward health care, which is to be provided by the acquirer of a privatized facility, is an important component of the privatization intention and the privatization project will be judged accordingly. A patient should perceive care in a privatized facility as being of higher quality and should recognize a rise in the level of both the health care itself and also the relationship between health care personnel and the patient. Existing

results involving nonstate private health care facilities indicate that this transition will take place without any kind of difficulties.

[Cervenkova] The Czech Republic is in one of the leading positions in the world in terms of the number of per capita physicians. Are you not afraid that after privatization some physicians will be superfluous?

[Loma] Yes, you are right. We do have one physician for not quite 300 inhabitants, whereas the European average is around one physician per 500-600 inhabitants. This is also a result of a certain gigantomania of the former regime. In the future, the health facilities themselves will determine not only their need for physicians, but also for nurses. If pressure develops to reduce the number of physician jobs, we must be prepared to offer certain alternative opportunities. We see these primarily in a contractual relationship with the General Health Care Insurance Institution in the execution of the physician's profession; furthermore, it is very likely that charitable health care facilities, church health care facilities, corporate health care facilities, and others will be established in which many health care professionals can find work. However, it is undisputed that even the advanced schools will have to adapt to the labor market.

[Cervenkova] Will jobs be preserved for those physicians or nurses who do not desire to enter into privatization (for example, because they are at a preretirement age)?

[Loma] Yes. Privatization is not a social revolution and is, thus, not mandatory. Only those health care workers who have longer-term prospects, those who have a desire to become fully independent in their professions, and those who have the yen to do so and the economic courage to do so will be privatized. For the others, there will be a whole series of job opportunities as employees with large hospitals or other health care facilities, as I have mentioned previously. I would not like to see an impression develop that privatization is mandatory and that anyone who will not be privatizing will be badly off in terms of employment. Privatization only represents a certain opportunity to acquire health care facilities under economically advantageous conditions and the ability to develop the self-realization capabilities on the part of certain individuals. Naturally, we are relying on privatization to be accompanied by market competitive elements which will assure the natural and so much desired increase in the level of health care.

Kouba: Bankruptcy Delays Not a Good Solution

93CH0190B Prague EKONOM in Czech 13-19 Nov 92
pp 16-17

[Interview with Professor Karel Kouba, director of Charles University Institute of Economic Sciences, by Eva Klvacova; place and date not given: "Delaying Bankruptcies Is Not a Good Solution"]

[Text] *Bankruptcies are a hot topic this fall and it would seem that they will continue to be such even despite (or*

perhaps precisely because) the decision that the full effect of the law on bankruptcies and settlement is to be delayed by six months has already been made. We asked Dr. Karel Kouba, director of Charles University Institute of Economic Sciences, for his views on the role of bankruptcies in the economy, on the sensibility of delaying the application of this law, and on the possibility that the failure of enterprises might be influenced by the central authorities. The interview took place prior to the adoption of the decision to put off the full effect of the law, but we believe that it has lost none of its topicality.

[Klvacova] Does it make sense to delay bankruptcy? We know that it fulfills an irreplaceable hygienic and therapeutic function in every market economy.

[Kouba] What bothers me is that the central problem of the discussion one year after the law on bankruptcies and settlement became effective is the decision on putting off the effectiveness not of the law, but of Section 67 which, although it is an important part, is nevertheless only a partial segment of the law. The law became effective 1 October 1991 although Section 67 was to take effect one year later, that is to say, 1 October 1992. The law states that a debtor is bankrupt when he has several creditors and is not capable of fulfilling his obligations for a longer period of time. As a result of the blocking language in Section 67, this provision has thus far not become effective. Hitherto, it has been possible to initiate a bankruptcy only in the case of overindebtedness. We know of attempts to bring about bankruptcy, but, for the most part, they end in a fiasco: either because the founder failed to give his approval, which was required by law for all state enterprises or commercial corporations having an exclusive property participation by the state, or because it was proven that overindebtedness has not occurred. Moreover, the language of the law is quite inadequate and can be interpreted extremely freely. What does it mean that a debtor fails to fulfill his obligations for a longer period of time? Is that three months? In that case, the absolute majority of enterprises would be subject to this provision. Is it three years? This would undoubtedly be a first in the world. Similarly, excessive debt is not precisely defined and could be the subject of certain controversies involving accounting regulations. By this, I want to say that our law on bankruptcies and settlement has certain gaps. It was nevertheless possible to apply it already and essentially it has not been applied.

[Klvacova] Some state enterprises have gone out of business in the past years through liquidation. Is this a full-value replacement of bankruptcy?

[Kouba] It is not. Administrative liquidation is expensive and drawn out and cannot replace a therapeutic role played by a bankruptcy as a normal mechanism of entering and exiting the market economy. By not applying this law even in its unrestricted image, the well-known phenomenon of a traditional socialist economy—the socialization of risk—continues to survive. Bankruptcy has a therapeutic effect, it is an essential part

of the market economy, it leads to corrections in the poor allocation of resources. This is not a tragedy.

[Klvacova] But numerous arguments have been raised against the immediate and unrestricted effectiveness of the law on bankruptcies and settlements: the impact on large enterprises, the avalanchelike spread of bankruptcies, the possibility of social unrest, the capability of some enterprises to recover, etc. To what extent are such arguments relevant?

[Kouba] It is often said that the full effect of the law would result in a chain reaction of bankruptcies and settlements. That is true. But this will also be true six months from now to an undiminished extent, if not to a greater extent. Arguments are cropping up that the effective date of the law should be deferred because bankruptcies threaten the large enterprises. Anyone who is familiar with the situation of the large enterprises knows very well that in six months it will be still worse. Of course, speculation tendencies are also cropping up and there are efforts to buy the bankrupting enterprises inexpensively. We will not avoid this by any kind of deferral. It is also true that foreign capital entering the negotiations involving enterprises which find themselves in bankruptcy proceedings is at an advantage. But the same will be true six months from now. And the problem of the mutual creation of bankruptcies between Czech and Slovak enterprises will be no simpler to solve after the breakup of the federation.

There is yet another circumstance here which I would take into account. Thus far, the first wave of privatization has not come to an end and the unpredicted coinciding of the end of the first wave and the effective date of Section 67 could be a source of complications. But that portion of the privatized enterprises which is threatened by bankruptcy will not evade bankruptcies anyway and it will mean frustration for participants in coupon privatization no matter what. On balance, I find no rational arguments for deferring the full effect of the law on bankruptcies and settlement. I believe that the deferral will not get rid of our worries; they are more likely to multiply six months from now.

[Klvacova] What solution do you propose?

[Kouba] The central problem does not involve putting off bankruptcies. The central problem is how to introduce the institution of bankruptcy into our life while establishing a market economy and a capital market and how to control this process and to regulate it in such a way that it would be part of creative destruction and that its results would be in harmony with the overall concept of transformation. Naturally, the process of bankruptcies, even in any kind of restricted measure, is a painful process; socially, very sensitive. By activating bankruptcies at any time, we enter upon a period of more demanding conditions for social consensus. It is a question of a political decision as to whether to put off bankruptcies or not to put them off? But I do not find any major activity on the part of all participants in

creating the conditions for introducing the process of bankruptcies, for moderating it, for control, and for maintaining it within socially tolerable limits.

Sometime two years back I stated at a gathering of economists that the problem of indebtedness is a cancer. This cancer has become virulent over the past two years and we are not capable of stopping it. It is deeply rooted in the traditional socialist system and its legacy. I like the fact that discerning enterprises were preparing themselves for the law to go into effect. They were attempting to finalize their relationships with debtors who are threatened with bankruptcy. Of course, the majority of our enterprises unfortunately live in a short time frame. This time frame involves payments from month to month. As long as the time frame of business activities by our enterprises is not stretched out, we shall not solve this problem. Next, there is the problem of the founders. According to valid legislative provisions, the founders have a certain responsibility with relation to management. This is a neglected problem. The candidates for bankruptcy are known. And the demands placed on management have not been increased, there were no personnel changes. In my opinion, the conduct of the founders was problematic, because it blocked any kind of effort to declare bankruptcy.

[Klavcova] But the founders are frequently connected with the enterprises by their umbilical cord. They have no intention of letting them fail. In the relationship between state enterprises and the founders, we can observe the legacy of the former hierarchic structures of management, of interest coalition. We know, for example, that the industry ministries, from which the current founders stem, were more like an extension of the arm of enterprises rather than of the state.

[Koubal] I agree with you. But today the industry ministries are not the only ones that are not fulfilling the role of founder. These ministries, of course, either change their conduct or lose the right to exist. But there is also the Fund of National Property which, in certain cases, is taking over part of the founder's functions. Here, no umbilical cord should exist. But there is another problem here. The Fund of National Property, given its relatively low capitalization, is under pressure of demands for utilizing the proceeds of privatization to solve questions involving old debts. We could see that this was doable by looking at last year's enterprise debt settlement. Another problem involved in the execution of a founder's function is the problem of timing, because a founder is obligated to take a stand on a proposal for bankruptcy within 30 days. Despite all existing problems, I believe that the founder's function should run counter to lobbyist-type practices and should be in harmony with the intentions of the law on bankruptcies and settlement.

[Klavcova] What role do you ascribe to the commercial banks in questions of putting off the full effectiveness of the law on bankruptcies and settlement and with respect

to future failing enterprises? They are the largest creditors and bankruptcies will have a hard impact upon them.

[Koubal] The commercial banks are very familiar with the candidates for bankruptcy and settlement. But the problem that they are threatened by bankruptcies is real. Given the large number of problems involving the lack of liquidity and actual excessive debt, any possible resulting bankruptcies carry with them the risk that the bank will go bankrupt. We cannot afford that.

[Klavcova] But many banks did not lend their own resources or the resources of others always in a responsible manner and on the basis of payback criteria. Is it not appropriate to begin overseeing them more?

[Koubal] I agree. Where commercial banks persist in making nonpromising loans, they should, in their own interest, resort to introducing bankruptcy while the distribution of their reserves is good. These reserves are not very great.

And then there is another problem here. The commercial banks justifiably argue that part of the debts were inherited from the past. This is a heavy burden of the past and one of the participants here must, in my opinion, be the government. For the present, we have been unable to solve the indebtedness resulting from the decisions of the previous communist governments either by debt elimination or by creating a consolidation bank. But what bothers me is the excessive wariness of the commercial banks with respect to bankruptcies and, on the other hand, the certain amount of passivity which they demonstrate. Of course, I know that the banking sector is preparing for bankruptcies. They are perceptive people and they know that bankruptcies must occur. But they are always talking about a period of preparation and show a low degree of activity. More precisely stated, during this period the counterproductive granting of loans to outright candidates for bankruptcy continues.

[Klavcova] We are joyful as the result of a certain, although very mild revival of our economy in recent months. The startup of bankruptcies will, however, with the greatest likelihood, return us to the period of economic recession. What do you think about that?

[Koubal] I repeat that the entire process of transformation is hampered by the fact that it is lacking one of the essential mechanisms for the rational allocation of resources—bankruptcies. We are thinking about the depth of the depression (or the size of the recovery) in our economy and, at the same time, we keep the fact that this is an unusually deep depression without bankruptcies out of the discussion. I would remind you that, for example, Finland is experiencing an unusually severe depression, according to its own evaluations, not at a level of 16 percent, but at 6 percent (a decline in the gross domestic product) and that this is a recession which is naturally accompanied by bankruptcies. In our country, the decline in the gross domestic product is far from being accompanied by the corresponding decline in

employment. Bankruptcies will naturally be one of the factors which will lead to increased unemployment, particularly in some regions. They will serve to eliminate primarily the hidden aspects of unemployment. In this direction, they can actually become a factor in intensifying the recession. There is no doubt that these are sizable socially sensitive problems. On the other hand, bankruptcies can at the same time serve as an instrument for overcoming the recession.

[Klvacova] Could you be more specific with regard to this opinion?

[Kouba] I believe that the principal barrier for unsatisfied demand for loans and a brake on the expansion of private business is the constantly growing amount of resources tied up in the form of loans being issued to nonpromising business. As long as we do not rid ourselves of this burden, our undercapitalized commercial banking sector will not have sufficient resources to satisfy the growing demands of the private sector. I would see in this yet another reason, perhaps the primary reason, why the introduction of bankruptcies in our economy is highly topical. It is topical not only as part of overcoming the current economic recession, but as a part in continuing the transformation process following the largely successful phase of stabilization.

Progress of Czech Economic Reform Discussed

93CH0168A Prague *RESPEKT* in Czech No 47,
23-29 Nov 92 p 8

[Interview with Ivan Kocarnik, Czech deputy prime minister and minister of finance, by Jan Machacek and Emil Szirmai; place and date not given: "The Art of Monetary Policy"]

[Text] [RESPEKT] For several months, our leading economists in the government coalition parties have been concentrating on the complex problems arising from the dissolution of the federation, starting with the settlement of assets and ending with the separation of the currencies. How is this reflected in the economic reform? And, above all: Isn't the reform being delayed?

[Kocarnik] First, you are not quite correct in saying that we are solely trying to resolve the issues of separation but naturally we have to deal with them and we are working on them intensively. In this sense, the constitutional situation is truly diverting us from resolving specific tasks of the reform to some extent.

But the reform is maintaining its speed, whereby the "its" is determined by a number of circumstances. After all, government economists do not work in a vacuum. An ideal, purely theoretically elaborated schedule for the economic changes would undoubtedly be faster, but it would also be unrealistic and unfeasible.

On the other hand, one must look at the changes that have occurred during the three short years since November 1989. It is no exaggeration to say that the

reform changes are moving quicker in Czechoslovakia than in any other postcommunist country and that we are achieving the best results measured by basic economic criteria, for example, the rate of inflation. Yet these complimentary evaluations are not made by our ministry of finance or by our government but by various international institutes such as the Viennese Institute for International Economic Development, the World Bank, the International Monetary Fund, and others.

The Cancer of Insolvency

[RESPEKT] What do you think about the six-month postponement of the Law on Bankruptcy? Doesn't this merely mean a postponement of the moment when we have to swallow the bitter pill? A number of economists fear that there will be an avalanche of bankruptcies once the law has been passed—especially since interenterprise indebtedness has not dropped to any great extent.

[Kocarnik] It is on this point, in particular, that our preoccupation with the constitutional structure can be felt most strongly. If we were not under such time constraints, we would clearly succeed in resolving one of the key issues more quickly: the bankruptcy of enterprises that are linked through insolvency, in such a way that they could recover and that there would be no extensive and dangerous chain reaction; we will not be able to deal with this cancer in our economy in a definitive way except in connection with the implementation of the relevant law. Easing regulations on payment relations will be of great help in this case, for example, providing the possibility of deferring payment deadlines, as is the norm elsewhere. I have discussed all these matters many times with the directors of the key commercial banks; their balance sheets provide the clearest picture of the major candidates for bankruptcy. We agreed on a course of action in which the enterprises will no longer obtain the credit they require from the banks. Thus they will automatically go into bankruptcy and no one would have to declare it directly. In this case, the postponement of the date on which the law goes into force does not make much difference. But even the above-mentioned method of working with the commercial banks is very time-consuming, and therefore not much is happening yet.

Overheating the Economy?

[RESPEKT] Soon we will reach an exceptionally sensitive point of the reform. After the first wave of coupon privatization has ended, there will undoubtedly be a sharp rise in the demand for credit. Won't this bring with it the danger of "overheating" the economy?

[Kocarnik] This is truly one of the most complex problems, not only of our reform but of economic policy per se. Basically it concerns two major economic tasks, economic growth and monetary stability. It is necessary to maintain the stability of the currency, which is essential for the desired business climate. When there is inflation or, even worse, hyperinflation, businessmen do

not invest, they cannot make reliable calculations, and they "run away" from money. We have more or less attained stability. But, at the same time, it is necessary not to inhibit growth. In our country it is a matter of intensifying the trends toward recovery that have been indicated since the beginning of the year. Thus, on one hand, we must revitalize the economy through credits and, on the other hand, we must not carry this attempt too far and "overheat" the economy. This would merely lead to the growth of inflation and to the deterioration of the business environment.

Controlling this problem is a great art in monetary policy throughout the world. It is a matter of balancing on a knife's edge.

[RESPEKT] You talked about signs of economic recovery. To what extent is this attributable to the government?

[Kocarnik] All rational economists know that the introduction of reform was tied to some economic decline. The fact that there was a greater depression than we expected was mainly due to external circumstances, as has often been discussed in the press.

The recovery can best be seen in construction. Why in this branch? Both the increase in demand and in supply have a common denominator in this area. The increase in demand for construction work was caused by privatization, restitution or the expansion of services. The increase in supply was made possible by the fact that the private sector already has a 50-percent share in the results of construction, while it shares in only one-fifth of total industrial production. But even in industry we recorded some growth in September—I emphasize that this year is the first—compared to last year.

As to whether these positive changes are attributable to the government? I will state it this way: it is attributable to the progression of the economic reform.

Problems With Separation

[RESPEKT] Recently there were still two basic concepts of the currency agreement between the succession republics. The director of the SBCS [Czechoslovak State Bank], J. Tosovsky, inclined toward the opinion that it would be expedient to separate the currencies as quickly as possible, to execute trade through clearing centers, and to settle obligations in hard currency, a role that could be played by the future Czech koruna. In contrast to this, Prime Minister Klaus's concept, briefly stated, is based on a specific gradual separation of the currencies. What are the pros and cons in your opinion?

[Kocarnik] I see the danger of the first alternative in that it could lead to an outright breakdown of mutual trade, which would lead to further depression—with all its negative consequences—instead of to economic growth; and this also applies to the Czech Republic. A depression would, of course, also negatively affect the stability of its currency. One must not forget that trade with Slovakia

next year will no longer be internal trade, it will be foreign trade. If the Slovak economy were to collapse, the Czech Republic's balance of payments would suffer considerable losses in the area of foreign currency income, albeit in inconvertible currency. This, in itself, could lead to an extremely undesirable devaluation of the new Czech koruna. From this point of view, our interests are clear—trade between the succession states must be maintained at the highest level possible, at least in the near future.

Now to the dangers of the second alternative. A common currency can be threatened by a number of causes. According to the addendum to the agreement on monetary settlement, four key issues provide reason to cancel the agreement:

If a large budget deficit were to be created in one republic, i.e. a constant source of inflation, which would overflow into the other republic via the common currency; next, if the foreign currency reserves were to drop so far below the limit in one of the republics that the entire system of convertibility would be endangered; third, if there were a danger of speculative movement of capital from one republic to the other (this may be what the director is particularly afraid of)—however, we dealt with this specific problem in the agreement by stipulating that the shift may not exceed a certain percentage; and finally, the fourth point, a joint currency committee need not agree on the primary issues.

If, on 1 January, everything will be separated, starting with the central bank through to economic policy, I believe that the clean solution would be to separate the currencies on the same date, too. But the principle "something for something" always applies in economics. It is difficult to estimate which of the alternatives would be the most advantageous, whether it would be the chosen, more conservative one or the mentioned cleaner one.

Future Prospects for the Czechs

[RESPEKT] However, one of our greatest interests, naturally, is the future outlook for the budget deficit of the CR [Czech Republic], especially for this year. According to published data it is now about 3.8 billion Czech korunas [Kcs]. Will this situation improve by the end of the year?

[Kocarnik] First, the Kcs3.8 billion is not a typical value, but a variable one: it is a standard seasonal fluctuation in the middle of the month, which is given by deadlines and the existing methods of paying taxes. That is why, at the end of October, the deficit was a little over Kcs2 billion, while we still recorded a surplus at the beginning of the month. Against current expenses in October we paid the SBCS a sum of Kcs3.7 billion as a payment for the deficit from 1991. Without this sum, we would still have a surplus of around Kcs1.5 billion.

We do not intend to permit budgetary "self-service" at the end of the year, as the past government did last year.

Therefore we introduced stringent control measures as well as some budget cuts that amount to approximately 15.3 billion. I can say that unless something totally unforeseen happens—let's say that the income from profit tax totally collapses—the Czech budget will essentially be balanced.

[RESPEKT] The relatively negligible inflation rate can be considered to be a relatively significant success of the reform policy. But hasn't this positive fact slowly been balanced out by the liberalization of prices, especially by energy inputs, rents, and the work force?

[Kocarnik] Certainly not. As you know, we began to liberalize prices on 1 January 1991. In less than two years, which is not a long time, we have succeeded in liberalizing 95 percent of all prices, related to their share in the gross domestic product. A small segment of the prices, especially those that affect the lives of the citizens, are still regulated. We will effect further liberalization next year.

I would like to point out that we have to bear in mind the social acceptability of the monetary policy. I said that the enormous art of monetary policy lies in audaciously maintaining a balance between the imperative of not ruining the currency and yet simultaneously encouraging economic growth; in the case of price liberalization, it is a matter of the ability to stagger the individual steps correctly as far as timing is concerned, and this must be done bearing in mind the extent to which society can tolerate them. The consequences of crossing this threshold would lead to hindering the maximum speed of the liberalization measures and thus, among other things, to making them more expensive.

I do not mean to minimize the problems we have now or those that we will face in the future. Nor do I want to interpret the results of our reform efforts, which the world considers to be the best of all postcommunist countries, in a biased way. However, as citizens, we should be able and willing to recognize them—and even be proud of them. Because they signify the first steps toward the Czech Republic again becoming a prosperous country and toward the Czech koruna becoming a convertible currency in Central Europe.

Rate of Inflation (in percentages, January-June 1992)

Czechoslovakia	8
Hungary	24
Poland	41
Bulgaria	113
Romania	232
Slovenia	290
Croatia	383
Serbia	820
Russia	940

Source: Viennese Institute for International Economic Development (WIIW).

Monetary System After Federation Breakup Viewed

93CH0190A Prague EKONOM in Czech 13-19 Nov 92
pp 22-23

[Article by Ales Capek, Czechoslovak State Bank Economics Institute: "A Firm Monetary Exchange Rate? No!—The Monetary System After the Breakup of the Federation"]

[Text] *A similar economic structure, the intrasector character of mutual trade, and a considerable interlinking of the Czech and Slovak economies, these are some of the elements which, from the standpoint of the theory of integrational processes, create the prerequisites for the unification of economies, but not before creation of a monetary union. It is, thus, somewhat of a paradox for an economy which meets these criteria to be deliberately dividing itself. On the other hand, it remains a fact that the economic reform and the external shocks have different consequences in both of the republics and that, under conditions of low mobility affecting production factors and an undeveloped regional policy, there exists no adaptation mechanism which would adequately serve to prevent these influences. In such a case, the demand for economic sovereignty and an independent economic policy for each of the republics need not necessarily look as though it was illogical.*

To attempt to maintain a unified economy, although from the standpoint of economic theory this might be ever so sensible, makes no sense currently, primarily because the principal political entities in the Czech Republic and the Slovak Republic have clearly expressed their will to separate and the fact that this separation will come about is reflected in the expectations of economic entities and shapes their conduct.

The breakup of the economy, the creation of two central banks and two economic policy centers, however, understandably does not mean the disruption of economic ties. On the contrary, it is desirable (and this was demonstrated on the political level) for the development of mutual economic contacts to be supported. At the same time, it is desirable for various unfavorable consequences resulting from differing macroeconomic developments in both of the republics, to be eliminated.

Two Criteria of Rationality

In this connection, the monetary arrangements between the Czech Republic and the Slovak Republic can play a significant role. To judge this arrangement, it is possible to make use of two given criteria: First, how the given monetary arrangement creates prerequisites for the development of mutual economic ties, and second, to what extent this arrangement is a stabilizing element making it possible to eliminate various external shocks.

In the first case, what is involved here is the creation of conditions for simple and continuing payments between the economies. This would best be served by a situation in which both currencies were freely convertible. Under conditions where only internal convertibility exists with respect to current account transactions on the balance of payments, it is necessary to think about some form of payments agreement which would cover the major or minor portion of mutual flows of production and services. The remaining portion of the transactions would be conducted on the basis of convertible currency.

This clearing-type agreement does give the economies which have a shortage of foreign exchange the opportunity to develop their commercial contacts on the one hand but, on the other hand, has its problems which can best be expressed by saying that they lead to a certain type of double tracking in the economy where "clearing" exports exist alongside free-currency exports and when the criterion of effective allocation of resources becomes somewhat less transparent. A payments union is a more suitable solution, provided it covers a substantial portion of external economic relationships and provided that it is established on a multilateral basis, where the necessity of balancing the mutual trade balance of two countries involved becomes less urgent.

Given the nonexistence of a payments agreement, financial transactions are realized in convertible currencies. Since the trade volume between the Czech Republic and the Slovak Republic represents approximately the foreign trade volume of the Czech Republic and more than double the foreign trade sales of the Slovak Republic, it is possible that both economies could experience the rapid development of significant external imbalance with impacts upon stability within the economy. The above-mentioned deficit in the Slovak Republic's trade with the Czech Republic in and of itself amounts to \$200 million to \$800 million annually and could become a strong impulse for the devaluation of the Slovak currency or for the introduction of some kind of regulation involving the management of foreign exchange resources.

However, let us anticipate that the internal convertibility of both currencies will be preserved. Then the question arises of setting their mutual rate of exchange (obviously, through the medium of convertible currencies). This is not so much a matter of the convertibility rate, but rather a question of the mechanism for creating it. That mechanism, as I have already indicated, should, among others, be the instrument facilitating the elimination of the impacts of various external destabilizing shocks.

A Firm Exchange Rate and Stability

At first glance, it would seem that such expectations might be fulfilled by a regime of a firm rate of exchange (for example, 1 Czech koruna [CKR] = 1 Slovak koruna [SKR] or 1 CKR = 2 SKR, etc.). It is generally stated that it is precisely the movement of the foreign exchange rate which acts as an important inflationary impulse for a

given economy or for the decline of its competitiveness and the resulting growth in unemployment or problems involving the balance of trade.

The maintenance of a firm rate of exchange between the Czech and Slovak koruna, to the extent to which it is to become a trustworthy macroeconomic quantity, simultaneously means, however, that both banks of issue would be willing to do everything required to maintain this rate of exchange and that they would, at the same time, even forego other goals of monetary policy. In a situation when different macroeconomic developments will be ongoing in both economies, among others even in conjunction with a differing budgetary discipline, this prerequisite appears to us to be unrealistic and it is more likely that both central banks will orient themselves toward other monetary goals. In the final analysis, it is not even completely clear what the mechanism for maintaining a firm rate of exchange would be like, whether one bank would personify a kind of leader and would be setting the rate of exchange of its currency independently with respect to convertible currencies and the second bank would be attempting to preserve a firm rate of exchange or whether some kind of more balanced mechanism might be involved.

However, even if the firm rate of exchange between the CKR and the SKR were to become policy on the part of the banks of issue, this could represent a destabilizing element. Given different economic development in both the republics, the unrealistic nature of a previously established firm rate of exchange would have to manifest itself in time.

The Necessity for Bank Interventions

Given an overvalued rate of exchange, that is to say, when there is an excess supply of domestic currency, the bank of issue would have to intervene by a method which would lead to reducing the amount of money in circulation, along with any possible deflationary effect.

In the event, for example, there were to be a sudden deterioration in the development of the current account on the balance of payments, which is quite likely to be the development in Slovakia after partition, the anticipated future devaluation would take place, which would cause the given rate of exchange of the Slovak currency to appear to be overvalued. For the bank to maintain a firm foreign exchange rate, it must begin to sell its foreign exchange reserves, which will result in a decline in the supply of domestic currency and in the growth of the domestic interest rates to a level at which the yield from domestic and foreign assets would become equalized.

In the opposite case, if the rate of exchange is undervalued, that is to say, if there is an excess demand for domestic currency, the bank, in its effort to maintain the rate of exchange, would have to satisfy this demand by selling domestic currency, without its subsequent stabilization and any possible inflationary consequences.

Both of these examples merely illustrate an already previously mentioned more general fact that given a policy of a firm exchange rate, the bank of issue must forego other monetary goals and cannot realize a monetary stabilization policy. If the bank were to try to implement this policy and would attempt to influence the supply of money in the economy, this would lead simultaneously to overvaluing or undervaluing the foreign exchange rate and the intervention by the bank for purposes of preserving that rate at a given level would be negated by these previous monetary provisions in retrospect. This fact represents one of the reasons why the monetary arrangement between the Czech Republic and the Slovak Republic, which is based on a firm rate of exchange for their currencies, appears to us to be unrealistic. The necessity to pursue an independent monetary policy will clearly become such an important priority that there will be no choice but to quickly abandon the policy of a firm rate of exchange. The regime of firm rates of exchange thus appears to be more destabilizing than stabilizing. In view of the fact that, following the division of the CSFR, it is possible to anticipate major differences in the macroeconomic developments of both republics, a regime of a firm rate of exchange of their currency as a basis of their currency arrangement could play more of a negative role—even though only for a temporary period of time.

Foreign Investments in CSFR Surveyed

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in Czech 21 Oct 92 pp H23-H24

[Unattributed article: "Foreign Investments in Czechoslovakia"]

[Text] Direct foreign investment in the CSFR amounted to \$1.1 billion (31.9 billion korunas [Kcs]) as of 30 June 1992 and was invested in 228 enterprises. The flow of investments increased, particularly in the first half of 1992, when \$448 billion was input, that is, 40 percent of the overall amount of foreign investments in Czechoslovak enterprises. It is predicted that there could be an even more significant increase after completion of the large-scale privatization.

Foreign entrepreneurs are putting their financial resources into mainly the coupon enterprises. The CR [Czech Republic] National Property Fund has sold them property worth Kcs7.7 billion but a number of them currently have made contractual obligations for direct investment in privatized enterprises. Recently, however, investors have begun to hesitate, as they are afraid of the political instability and complications with the dividing up of the CSFR and they still consider the legal aspects to be unresolved.

The structure of the branches of industry in which there has been direct foreign investment shows the greatest share in the production of transportation facilities (39.5 percent), with other investments in the banking system (13.5 percent), the food industry (10.1 percent), trade

and services (8 percent), construction (7.4 percent), the production of transportation equipment (4.7 percent), and other areas (16.8 percent). In the course of the first half of 1992, in first place were investments in the food industry (24.9 percent), with others in banking (19.1 percent), construction (18.2 percent), trade and services (13.5 percent), transportation (8.8 percent), and others (15.5 percent). This ranking reflects the attractiveness and progressive nature of the individual branches. At the same time, these are the branches which were neglected in the past by a national economy tied to the CEMA [Council for Economic Mutual Assistance]. Now the foreign entrepreneurs are not investing in the earlier main branches, in heavy industry or in engineering.

The territorial structure of foreign investments is diversifying. The dominant share is that of the German investors, who represent 52 percent of all direct foreign investments in the CSFR (however, this is not as high as a year ago when it ranged between 80 and 90 percent). The second largest investor is the United States (11.9 percent), followed by France (11.8 percent). Austria, whose share in all direct foreign investments is 7.6 percent and corresponds both to the traditions of trade and the geographical locations of both countries, is also an important foreign investor in Czechoslovak enterprises. Belgium, which has a similar branch structure and country size, also has a large share (7 percent).

In the first half of 1992, France (25.4 percent) pushed Germany (22.9 percent) into second place. The share of the United States amounted to 15.2 percent, with Belgium at 11.8 percent and Austria at 7.1 percent.

Impact of CSFR Division on Economy Outlined

93CH0167A Prague DOKUMENTACNI PREHLED
in Czech 14 Oct 92 pp H17-H19

[Unattributed article: "Economic Consequences of the Division of the CSFR"]

[Text] Studies have been coming out on the economic consequences of the division of Czechoslovakia in connection with expected breakup of the CSFR and the creation of two independent republics. One of them is the analysis of the Vienna Institute for Economic Comparisons (WIIW) which uses as a starting point the actual political situation after the June 1992 elections and the current state of our economy.

The Current Situation

The Czech Republic (with 66.1 percent of the CSFR's population) in 1991 had a 70.8-percent share of the CSFR's GDP; this figure is distorted somewhat, however, by the greater proportion of economically active population in the CR [Czech Republic] (69.1 percent). In 1991 the Czech GDP per capita amounted to 43,994 korunas [Kcs] while the Slovak was Kcs35,424 (that is, 24 percent lower). However, the productivity of labor in Slovakia was only 7.8 percent lower than in the CR (SR [Slovak Republic] 94.6 percent, CR 102.4 percent using

a base of 100 for the entire CSFR). At the same time, however, the average monthly earnings in Slovakia were 1.7 percent lower than in the Czech economy. It remains unclear, however, what the actual contribution of foreign trade to the GDP was for both parts of the republic. The level of unemployment in Slovakia grew much more rapidly than in the Czech lands.

Slovakia had a 28.5-percent share in overall Czechoslovak production. While the CR produces and exports finished products in particular, the production and export of semifinished goods and weapons plays a much greater role in the SR. As far as the production and export structure goes, this puts Slovakia in a less advantageous position, even though in the short-range future some semifinished goods can be more competitive on the Western markets than final products of poor quality. In the analysis the vulnerability of the energy and petrochemicals industry in both parts of the CSFR was pointed out. The most important primary raw materials are imported into the CR through the territory of Slovakia (of the 11.2 million tons of petroleum imported, 6.3 million tons were directed to the CR through the Druzhba and Adria pipelines). This dependence is, however, supposed to end in 1994 when the pipeline from Ingolstadt in Germany to Litvinov and Kralupy with its annual capacity of 10 million tons begins operations. Roughly 70,000 million cubic meters of natural gas is transported from the CIS through the territory of the CSFR, of which 80 percent goes to the West. Likewise, the Slovak processing enterprises delivered the following amounts of petroleum products to the CR: 117,000 tons of gasoline, 522,000 tons of diesel, and more than 300,000 tons of heating fuel. On the other hand, the SR imports 2.8 million tons of anthracite, 4.3 million tons of brown coal, 0.4 million tons of coke, and 3,173 million kWh of electrical energy from the CR. There is a minimum interdependence of the CR and the SR in agriculture and construction.

The Consequences of a Possible Separation

While the Czech Republic will probably continue in its economic reforms, one can expect that a change in the Slovak Republic in the direction of a gradualist economic policy. In the case of a complete separation, there will undoubtedly occur losses in the short term in the economies of both republics. The expected breakup of the federation now already has a negative effect on the cooperation of Czech and Slovak enterprises. Likewise,

foreign investors have begun to be more cautious in dealing with the Czechoslovak enterprises and many of them have lost interest in cooperation.

The negotiations on the division of common property could be drawn out and could even slow down the economic reforms in the CR as well. In view of its lower economic potential, Slovakia will probably suffer relatively more losses. According to estimates of the Slovak Government of 1991, the performance of the Slovak economy will decline by 10 to 15 percent. The level of inflation in the SR could reach 13 to 20 percent in comparison with December 1991 and the level of unemployment might grow to 20 percent. The Slovak currency would probably be devaluated in relation to the Czech currency and to convertible currencies. This could at least for a time further reduce the interest of investing in Slovakia. Political stability and a satisfying maintenance of democracy, along with stable conditions for the foreign investor, can bring new foreign capital soon after the separation. The positive aspects for an independent Slovakia and its medium- and long-term outlook should not be underrated. The achievement of a national identity and the realization of the emancipation efforts can be a strong motivation for the Slovak population to strengthen its economic and political position in Europe.

According to estimates of the Slovak economists, the separation would require supplementary expenditures which would cost about Kcs15 billion annually in the SR's annual budget. After separation, Slovakia would need a credit in the range of \$1-1.5 billion. This amount does not, however, include investments which would be necessary for an expansive economic policy as put forth by many Slovak politicians. The Czech Republic, freed from conflicts of nationalities, could also in a relatively brief timeframe cover the expense connected with separating the republics through increased economic activity. It would also rid itself of the joint responsibility for the more difficult restructuring of the Slovak economy and financing it. For both parties to reduce the losses stemming from the division, it will be very important to agree to an economic policy which would maintain the previous intensive economic cooperation between the enterprises of both republics. It would therefore be very desirable to create a trade and customs union. The future European economic region in which the Czech and Slovak Republics would want to be included as independent states could serve as a model for the cooperation between the two republics.

Perspectives on Strong, Weak Points in Military

93EP0097A Warsaw *WOJSKO I WYCHOWANIE*
in Polish No 11, Nov 92 pp 81-83

Commentary by Marian Kowalewski and Lech Kosciuk:
"Problems of Military Security of Poland, Topic of the Month"]

[Text] In this issue we are starting a new regular column, "Topic of the Month." It will contain commentaries on political-military events in Poland and the world that may have implications to our national security. Members of the Strategic-Defense Department of the Academy of National Defense have undertaken to handle this column, but this does not mean at all that representatives of other academic or research centers or government agencies will have no access to it as a platform for their views. On the contrary, representatives of these and other communities are invited to make their voices heard. This column comes with its own regular logo, symbolizing the Strategic-Defense Department of the National Defense Academy.

Threat to the Republic of Poland; Analysis; Prognosis; Expertise; Global Simulation

[Kowalewski] The status of Poland's military security hinges on a number of domestic and foreign factors. The list of these factors is extensive. Our feeling of security or of its absence depends on the assessment of these factors. The polarization of the public's related views is considerable. It is based on a distinctive Polish prism through which external dangers are viewed, and on an emotional attitude toward national defense as a value. In my personal opinion, one of these views has been largely coloring our judgment of the status of Poland's military security over the last two years, although it took root much earlier in Polish national awareness.

My impression is that in the traditional opinion of a segment of the public, Poland can influence its own military situation only to a limited extent. Hence the aspiration, sometimes shared by politicians, to gain a military mentor who would be so powerful that, under the shielding umbrella of his military guarantees, our own defense efforts could be reduced to, it is said, the indispensable minimum appropriate to the extent of our national destitution. Proposals have been made to reduce the military draft and replace it with a vaguely defined universal guerrilla force which would prepare the soil for retaliation by our potential ally; it has to be admitted that this is a uniquely Polish idea. The more extreme suggestions have been that the Polish defense might be reduced to zero, on the assumption that, regardless of whether Poland has or does not have an army, it could not effectively resist an eventual external military threat. I believe that such views are in their entirety fallacious and the attendant attitudes harmful—and even criminal as regards national security, especially when they are presented publicly, as we were and are witnessing them all too often.

Poland must and can determine the status of its own military security. The Polish national defense displays certain advantages of which, I believe, many European countries can envy us! The territorial and population size of our country, its location on the continent, and its economic potential, which, while in a crisis, is still substantial: All this is the foundation of Poland's defensive might. Poland is such a sufficiently formidable European country that in practice without approbation by the Polish society no other country on this continent has any rational military chance of undertaking effective aggression against it. No great knowledge of strategy is needed to defend this thesis. The sole prerequisite for its viability is the maintenance of an adequate preparedness and readiness of a system for the military defense of the state. A public that is aware of this should in no way accept unjustified cutbacks in the defense effort, which may result in that we would fear not just the stronger but also the potentially weaker nations. The defense effort should be streamlined, which does not at all mean reduced. Allies also should be sought, but only those with respect to which our own military autonomy can be preserved. This goal can be accomplished only on condition that our own country is correspondingly militarily strong.

I firmly believe that, among other things, public exposure of the weaknesses of our national defense is a reason why we still cannot believe in its strengths. As a result, what should and can serve Polish defense does not, as reflected in the judgments and opinions stated.

[Kosciuk] The actual status of Poland's military security, including the Polish public's feeling of such security, is, as has been said above, nowadays not readily evaluated without ambivalence. In Poland at present we are dealing with the fact that the military enjoys great public prestige, which is not tantamount to the public's feeling that the military in its present condition will cope with an eventual threat of conflict. There is a disturbing shortage of consensus among the political forces on military security (the issue of the "NATO option" and on [Poland's] role in a united Europe), and the increasingly evident disparity of views on these matters between the political elites and the society. As regards the problem of the danger [of war], of course it does not exist in the sense of a threat to our national existence, sovereignty, or borders, but even so the fears ensuing from the instability of the situation beyond our eastern border are warranted. Another aspect of the problem is that our country is adjoined by neighbors who are stronger (Russia, Ukraine, Germany) and whose politics have often in the past conflicted with ours: That is a fact that we have to face. Then also there is the absence of real external security boundaries affirmed by treaty and international law. What is more, positive direction of evolution of the international community is not necessarily a foregone conclusion: This refers to, among other things, such of its elements as NATO, CSCE, and the united Europe with its organizations, not to mention the evolution of the military-political situation directly in the area of Central Europe.

[Kowalewski] The ongoing changes in the political-military situation of Central Europe are a challenge to Poland: It is our good fortune that they are evolutionary. The point is that their rhythm be maintained. We know how "Mother Nature" punishes those who, in the course of evolution, do not keep abreast of changes. Admittedly, in this respect we have until recently been pessimistically judging the status of Poland's security—chiefly because the pace and scope of changes in our national defense in the early 1990s have been in marked disproportion to the pace and scope of changes in other domains of our national life.

The changing views on Poland's military security have been hardly a guide to any doctrinal conclusions. The absence of doctrinal decisions and the effects of "militant" attempts to arrive at them by certain politicians partly account for the carousel of restructuring ideas. It also is a fact that the now three year long dismal state of the defense budget has been an obstacle to institutional changes within the armed forces. This situation has not only impeded changes but also brought the military to the verge of psychic endurance owing to its constant concern about its future. The symptoms of that concern have not always been beneficial to national defense: I feel certain that the unfolding of the situation in the direction in which it took place in April and May of this year threatened a repoliticization of the army. Aside from the political aspects of the change in government last June, I believe that toward the end of 1992 a halt has been put to the precipitous destruction of our national defense system. The unequivocal stand taken by the president on this matter, the signals that the National Security Council is going to adopt the defense doctrine, the personnel changes within the Ministry of National Defense, and the fact that actual organizational changes have commenced within the central institutions of that ministry, meaning chiefly placing it under civilian control, warrant a moderately optimistic view of changes in the status of our military security.

[Kosciuk] Let me point out that, in my opinion, the status of Poland's military security is at present determined not so much by the absence of an external threat as by the level of our own preparations to cope with any eventual such threat. This is somewhat reassuring psychologically and gives us time to experiment with our national defense system. Secondly, anyone who assumed that the far-reaching institutional changes taking place in our country will not extend to its armed forces, and who moreover assumed that this process will go on rapidly and without snags, is wrong. Thirdly, one should be aware of priorities among these changes and their interrelationships. It is clear, for example, that final decisions as to the command of the armed forces cannot be taken without first taking decisions as to the system of the exercise of political power. At the same time, the deficient awareness of our political elites as regards the nation's military security is worrisome as is the absence of military experts within the political parties. We are creating a civilian Ministry of National Defense with

practically just a handful of civilian experts and vague prospects of resolving this issue. It can be hoped that the formation of a new network of military cooperation, and especially of cooperation with Western countries, will enable us to overcome many problems in restructuring our national defense system, but certainly not all. In many cases we can and must learn how to cope with them on our own. Such are the consequences of our having accepted full responsibility for our own security.

[Kowalewski] These consequences are not terrifying if we are aware of the possibilities for coping with the problems of restructuring our national defense system. For two years now the reformed Academy of National Defense has been serving the military, and this appears especially valuable in face of the problems otherwise encountered in restructuring. The Academy is a major research and academic resource that is solidly linked to corresponding civilian resources. After many years of playing a minimal role in determining the Polish defense strategy, the Academy has now assumed a prominent role, and the point is that it be an indispensable one. The situation of a research center in the military is that it can chiefly at most make proposals. The machinery for initiating projects and accepting their results operates outside the Academy. I firmly believe that this institution is potentially capable of resolving any problem relating to Poland's military defense.

That is why I contend that the slow pace of changes in the military ensues not from the absence of theoretical solutions but from the age-long problem of practice's lagging behind theory. This situation may be worrisome, particularly considering that Mr. Kosciuk's opinion that there is no real external threat to Poland is contestable. The threat exists, but it is greatly different to what we have become accustomed to. It is hard to decide which is more dangerous: A strong hostile army on our border—which is indeed not the case in the European situation—or many foci of military disturbances (Moldavia, Yugoslavia) and social disturbances (with a military foundation).

[Kosciuk] The principal problem we will have to face in the next few years as regards military security is a skillful and optimal exploitation of every possibility for creating the domestic premises for that security and meshing them with external possibilities, such as cooperation with the West, chiefly with NATO, and as regards creating mechanisms of an all-European security system. This also means an intelligent combination of the possibilities and advantages that can be yielded by a rational investment in each of these domains. True, we have been definitely refused membership in that still exclusive club represented by NATO, but nevertheless the existing chances for advanced military cooperation with the countries belonging to that bloc, as well as the scope of our cooperation with NATO itself, give reason to believe that we can indeed be sheltered under the West's security

umbrella. Lastly, it is in our interest to strengthen and develop all-European security structures, and such possibilities are still afforded by the CSCE, despite the skeptical judgments as to its effectiveness so far, because it is a way of creating mutual trust, promoting the feeling of security, and shaping the premises for mutual and

hence also indivisible security within our international community.

[Kowalewski]: Problems of collective security require a separate consideration, which we intend to present to our readers in this column in the future.

Macedonian Parliament Member on Pluralism

93BA0187A Skopje NOVA MAKEDONIJA
in Macedonian 2 Nov 92 p 4

[Interview with Deputy Djulistana Jumerovska by J. Mironski; place and date not given: "Pluralism Even in the Parties"]

[Text] *Conversation With Deputy Djulistana Jumerovska*

My leaving the RSM-LP is a consequence of what was happening in the party. According to our Constitution, the party may enter a coalition with similar political parties, although this was not the case now.

At a press conference before the beginning of the 41st Session of the Macedonian Parliament Deputy Djulistana Jumerovska of the RSM-Liberal Party reported that she was leaving the ranks of the party. We are discussing now why she decided to take such a step, which in practice put her into the ranks of the independent deputies.

[Jumerovska] The reason that there are increasingly more independent deputies in the parliament is, first of all, because of the childish problems which we as a republic still have in the sense of accepting plural living. In addition to this, because of the fact that we have made several parties from one party, which means moving from one center of power to several places, but not a truly pluralistic environment within the framework of the parties. For me true pluralistic living is the existence of pluralism, even within the framework of the parties.

[Mironski] You have disclosed your reasons for leaving the ranks of the RSM-Liberal Party, which are, first of all, disagreement with the work of the party, violation of the Constitution, and the operating rules. Can you explain this?

[Jumerovska] I thought about this step for a long time. It is a logical consequence of everything that happened actually between me and the party from the passage of the Constitution up to today. I consulted with many citizens from my election district and with members of the party. I found support among some, and among some I did not, in the meantime the majority thought that such a step would not be unjustified following my recent work in the parliament.

It is known that the RSM-LP is a party which at the beginning assembled an enormous intellectual potential, assembled personnel capable of work, and who were prepared for action, but somehow these people were left unused. Subsequently, they were demoralized and left. Although the contacts between the members have been maintained, there has been a delay in holding regular meetings and providing information about everything that is current and is connected with the party. The meetings were held much less frequently than is provided in the articles and Constitution. Thus, in my opinion, a precedent was established in the formation of the coalition government when the Republic Council

was called but which did not have the required majority for working. At that time, in general, there were no votes with a show of hands with the members present. However, this is a decision which was of serious significance for the party. This concerned whether it will enter a coalition with the proposed partners and who will want certain ministerial posts. In Article 18 of our Constitution it is specifically stated that the party may enter a coalition only with partners with similar political programs. I do not know if this is so in this case. In my opinion it is not when it is a matter of the partners of the present coalition. Therefore I think that there should have been a process for some explanation about what it is that we as partners will be seeking in the government, and with what we as a party do not agree. It was necessary to show with what motives, how, and why we are participating in such a coalition and with what we do not agree, so that later on we will not have problems before the membership and before the sympathizers. Unfortunately, this was not done. Part of the members of the Executive Council moved into the new government and into specific ministerial functions, but this can seriously influence the work of the party in the case of eventual new elections. The lack of consultation of the base in Kumanovo from which, as a developed economic opshina it was possible to utilize and consult expert personnel, certainly had decisive influence on my decision. I think that, in addition to everything, the interests of my constituents will not be abandoned. I am successfully in contact with the majority of them and I think that this even will influence the consolidation of the connections with the constituents in my election unit. My ideological-political convictions and my understandings have not changed, and at the same time this is an answer to all those who without evidence, are placing me in the ranks of other parties, including the nationality ones.

[Mironski] Does this mean that you are denying all the reports that recently more and more frequently you have been indicating that ideologically you are leaning toward the nationality bloc, more specifically toward the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] Party?

[Jumerovska] I have to say that these reports are absolutely inaccurate, because, if you think about, and if you follow my work from the beginning of the parliament to now, I have said that no one possesses an absolute right of patriotism in Macedonia, including the VMRO-DPMNE Party which most of the rumors concern. Because as a citizen of this country I do not have a fatherland other than this one, it is normal that it is this country that I respect, that I love, and that I am working for its good. I regret that some think that only VMRO-DPMNE has to produce the principle government acts of the Republic of Macedonia or that those who think this way belong to this party. This is deplorable and destructive for all us deputies, because we are first of all deputies and citizens of this country, and we all have to think for

its good. It is certain that the extremists both from the one and from the other side have to be eliminated, and that it is of particular interest to the country not to think nationalistically but only nationally.

[Mironski] You sent a certain number of notes to the president of the Parliament, Stoyan Andov, who is also the president of the party, but which function now is on hold, what is the reason for this?

[Jumerovska] The notes which were sent to him, first of all were initiated by the 41st Session, since it was delayed many times and both the deputies and the public were refused information why. Perhaps to some degree for objective reasons, but for the most part for subjective reasons. According to the old rules, no one deputy group or independent deputies, except for the president of the assembly, are able to call a session, therefore criticisms about it acquire an objective reality from which no one can hide. As far as he as a president of the party is concerned, I regret that we did not hold a regular meeting officially, but held an informal expanded session of the Republic Council, at which individual presidents of opshtina assemblies were present, in which a change in the president was suggested while the presidential function remains on hold. I think that a serious party such as the RSM-LP has to have a president of the party.

PDP Official on Ethnic Albanians in Macedonia

93BA0281A Skopje NOVA MAKEDONIJA
in Macedonian 13 Nov 92 p 5

[Interview with Muhamed Halili, coordinator of the group of PDP representatives, by Aleksandar Damovski; place and date not given: "Albanians Do Not Want War"]

[Text] *In general, I agree with the statement by Sami Ibraimi. The events in the flea market were staged by the MVR and by foreign factors. The 41st Assembly was an attempt at suppressing democratic processes. The PDP remains in the government.*

The unexpected change in the position of coordinator of the PDP [Democratic Prosperity Party] group of representatives was the reason for many people to engage in a variety of speculations which went so far as to be interpreted as an indication of a new party orientation. Muhamed Halili, the new coordinator, denied this, saying that the change was made as a result of the persistent demand of the present coordinator, Estref Aliu, to be relieved from that function although his work, Halili stressed, was considered excellent by all assemblymen.

We discussed with the new PDP group coordinator the current situation in the Republic in the wake of the flea market events.

[Damovski] Two days ago the expanded leadership of the PDP met on the issue of the recent flea market incident. Could you tell us more about this meeting?

[Halili] It was resolved that the PDP parliamentary group will ask the government for a report on the 6 and 7 November Skopje events. The request has already been submitted. According to National Assembly procedures, if the government fails to answer, the requester has the right to draft such an information himself. Nonetheless, it was concluded that in addition to the information supplied by the government we, as a group of assemblymen, intend to gather materials on this case.

[Damovski] Does this mean that you are already questioning the veracity of any information provided by the government relative to the events?

[Halili] After examining the situation as a whole, we reached the conclusion that some MVR circles had staged it with a view to prove to the world the alleged major danger of ethnic quarrels in Macedonia and thus ensure the international recognition of Macedonia.

[Damovski] Yes, but one could also say that all this was staged for an entirely different purpose — the nonrecognition of the Republic of Macedonia!

[Halili] Each argument has its counterargument. The conclusion we drew at that meeting was that the incident was most likely organized by outsiders, from Serbia. We also noted that Minister Frckovski has no overall view about the situation at the Ministry of Internal Affairs.

Neither as a party nor as a group of assemblymen we deny the fact that there are contraband dealings at the flea market. What is symptomatic, however, is that no smuggler has been caught. In turn, this means that smugglers have close ties to segments operating within the state apparatus, and to some people working for economic giants in the Republic. The police should strike at the reasons, not at the consequences.

[Damovski] Still, in any law-governed state the police must intervene in all cases of criminal delinquency and vandalism, as was the case at the flea market. Furthermore, all cases of violation of legitimate police authority must be resolved according to normal procedures, and not on the street!

[Halili] Yes, this is so. But let me repeat that in that crowd the police had their own people. We do not justify the breaking of shop windows, turning over automobiles, and so on. However, it would have been proper for the police to penalize the perpetrators of this entire event.

[Damovski] The official MVR communication states that that was a planned incident. What do you think of that?

[Halili] Our relations with the MVR are the following: They attack, we defend; or else we attack and they

defend. It is an illusion to expect that the MVR will admit to have organized the incident. Our information is that such was the case.

[Damovski] It is being said that the incident had been planned abroad. According to Ibrahim Rugova, perhaps even by Serbia.

[Halili] Naturally, we keep in mind this possibility, considering that for quite some time Serbia has been drafting a scenario which would make possible a destabilization of the situation in Macedonia only by provoking a quarrel between Albanians and Macedonians. However, they are forgetting one thing, i.e., that the Albanians in Macedonia do not want war.

[Damovski] Bearing in mind the current interethnic tension in Macedonia, how great is the danger of a possible ethnic quarrel?

[Halili] Obviously, the atmosphere is heated. We, however, as assemblymen and as a party, as we intensify our activities among the membership can, within the framework of our possibilities, contribute to the easing of tension and prevent any possible spreading of untruths. We are in favor of avoiding various provocations. We expect this also of the Macedonian parties and of the authorities. However, if some people insist on provoking incidents, in such a case I truly do not know what the people's reaction will be. The crowd is susceptible to euphorias. Autonomy does not mean secession.

[Damovski] You say that you are working for the lowering of tensions. In my view, the statement by Sami Ibrahim, the deputy chairman of the PDP, to a Greek television station indicates the absolute opposite. Do you agree with the assertions made in that statement?

[Halili] I fully agree with the claims but do not agree with you that such claims intensify tension among Albanians. History has proved that we have never had any tendency to trigger incidents. I do not see why such a statement could cause an increase in tension. On the contrary, the impression is created among the people that we are defending the truth.

[Damovski] I do not believe that a statement according to which "there is discrimination against the Albanian people in Macedonia" would not lead to intensified interethnic intolerance.

[Halili] I did not hear that part of the statement you quoted. No such sharp statements were made. All that was said was essentially within the limits of that about which our party has always insisted.

[Damovski] It frequently happens that PDP activists express different views to some foreign newspapers while the tone of their statements for "domestic consumption" is entirely different. Something similar was seen in your statement made to France Presse.

[Halili] As far as I am concerned, my statements were the same. I have asked for the original copy of my statement

made to France Presse for an overall review. I am sure that I did not say that there will be any civil or interethnic war in Macedonia....

[Damovski] According to Agence France Presse you said that "we do not know yet for how long we shall be able to avoid a conflict.... The police will react to the Albanians with weapons...."

[Halili] The first statement is accurate. These are my words. Actually, even after I have seen my original, I shall continue to speak about all this. As to the matter of the police continuing with such provocations, I said that we shall turn to civil disobedience. I also said that, historically, quarrels between Albanians and Macedonians are simply impossible.

[Damovski] In this kind of atmosphere, once again, plans for establishing big Balkan countries are beginning to be updated. This includes the scenario of Greater Albania. How popular is this idea among the Albanian population in Macedonia?

[Halili] The demand for autonomy is not an act of secession. We conceive of such an autonomy within the framework of the Macedonian state. The fact that some may interpret this as an attempt at separating ourselves from Macedonia and uniting with Albania is an insinuation of something else. Such a mood is not to be found even among the Albanians in Albania. Therefore, even if we wished this to happen, which we do not, they are not prepared for this and do not want it. Actually, according to the statements of Albanian statesmen, it is clear that they too are in favor of coexistence between Albanians and Macedonians within our borders. Naturally, spiritual rapprochement, cultural exchanges, and free movement across the borders are entirely different matters....

[Damovski] Was the possibility that the PDP will withdraw from the governmental coalition considered at the meeting which was held two days ago?

[Halili] No specific discussions on this issue have taken place. No definitive view on this matter was accepted, which means that the agreement on our participation in the government remains valid and supported by us. The statement that we would be withdrawing from the coalition has already been publicly voiced by the Liberal Party, which does not support the agreement and which has become very close to the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity]. However, this does not concern us.

Macedonian Strategist Analyzes Spillover Prospects
93BA0276G Skopje NOVA MAKEDONIJA
in Macedonian 13 Nov 92 p 4

[Interview with Retired Colonel General Todor Atanasovski on the possible launching of a new southern front,

by Zoran Petrov; date and place not given: "The Most Critical Period Is From Now Until the End of the Year"]

[Text] *The possibility of aggression is becoming much more likely as a result of an internal metastasis and the expansion of the war to an area which could encompass Macedonia. The armed conflicts in Slovenia, Croatia, and Bosnia-Herzegovina began precisely at a time when the international recognition of those countries had been made publicly known to everyone. We need a consensus concerning our defense by means of absolutely all the forces and means at our disposal.*

Is it now the turn of the Republic of Macedonia to experience the horrors of war? And what is the possibility of establishing the so-called southern front in what was formerly Yugoslavia? This is an issue that has remained current for an whole year, and these are questions to which most politicians and experts in various fields are offering different and frequently contradictory answers and premises. The grave incident that occurred a year ago at the flea market in Skopje was seen by many people as the introduction to an interethnic war in Macedonia. Actually, this was stated publicly, as a kind of warning, by several party leaders. It was precisely on this issue, and for that reason, that we spoke with Retired Colonel General Todor Atanasovski, a member of the Security Council of the Republic of Macedonia and one of the leading experts on our military theory and practice.

[Atanasovski] When we speak of an aggressive attack perpetrated against Macedonia, we must be familiar with the most important and inviolable resolutions and concepts of the United Nations and the Collective European Defense and Security System concerning the inviolability of borders. Accordingly, I am not certain that any possible aggression against the Republic would develop as a classical military invasion by foreign armed forces. The form such aggression might take would much more likely be an internal spread or expansion of the military conflagration to an area encompassing Macedonia. I begin with the premise that any future expansion of the war would not be toward the West, where the international factor is much stronger, but to the southeastern areas of the former Yugoslavia—Sandzak, Kosovo, and Macedonia. When the incident at the flea market occurred, it first appeared to be a kind of introduction to such an extension of the aggression by foreign elements infiltrated to engage in an extensive abuse of the common people. If this event is interpreted within the context of and in correlation with the recent incident in the vicinity of Kumanovo on the Macedonian-Serbian border, the demonstrations in Kosovo, the statements made by Dobrica Koscic on the meeting with Serbs in Macedonia, and the Serbian meeting and the incident in Pristina, all of these things can be interpreted as a planned scenario designed to affect us.

Public attention, where the riots at the flea market are concerned, has been mainly focused on the actions of the MVR and the relevant state authorities. Meanwhile, the

spread of the infiltration or aggression, which does not come under the international standards pertaining to the inviolability of borders, represents a dirty war being waged without any classic fronts, and one which opens the door for neighbors wanting to protect their "interests." This is why I claim that the responsibility for the events at the flea market should be ascribed, to a much greater extent, to the political parties, and not exclusively to the official state authorities.

[Petrov] Is such a view not excessively pessimistic, since we have meanwhile learned unofficially that the ministers of foreign affairs of the European Community nations have resolved that a decision on the "Macedonian problem" must be made by each country individually?

[Atanasovski] It is true that this is a positive development in terms of Macedonia's international recognition. On the other hand, however, this is precisely what concerns me. Go back a little and take a look at the situation in Slovenia, Croatia, and Bosnia-Herzegovina. The military clashes in those areas began at the time when the international recognition of those countries had been made publicly known to everyone. That is why I say that this is a period of essential importance to peace in the Republic, for it is precisely now that the critical period is beginning. Until the statements on the international recognition of the Republic are made effective between now and the end of the year, there will be a period of temptation during which the country must not relax.

[Petrov] What do you regard as the sources of threats and the centers promoting trouble in the republic?

[Atanasovski] Those that would profit the most. I believe that in general, Serbia has not changed its attitude toward Macedonia. And if we look at this situation in terms of reason, no one has the right to underestimate Serbia's military capabilities, given the fact that the war in Croatia and Bosnia is drawing to an end. How this will apply to the recognition of Macedonia is an open question, because thus far, the effect has been neither positive nor rigorous. On the other hand, based on the latest development in the views of the European Community pertaining to recognition of the Republic, Greece finds itself in a surprising position. The fact that the government in Athens is now insisting that its neighbors guarantee the inviolability of the Macedonian borders is a purely political tactic designed to delay our recognition, following the warning issued by the United States and the European Community about the inviolability of foreign borders. I believe that since the Republic has been recognized by several countries to date, what is much more important is the international verification of our statehood. On the other hand, however, this could trigger a much more aggressive attitude on the part of Serbia and Greece.

[Petrov] On what should the strategy for the defense of our state be based?

[Atanasovski] When we speak of defense and security, ordinary people usually think of the police and the army. You see, our problem is that historically, Macedonia has never been either "culturally" or "civilizationally" occupied or taken over as a country. It has always been considered a part of the country that is the occupying power. Hence the defense of the Republic of Macedonia falls not only to the police, the Army, the parliament, the government, and the other state authorities, but is the duty of all the citizens, as well. That is why we need a consensus on defense, using every available force and means, without exception, because the objective of any future aggression would be simply to raze the Republic of Macedonia.

[Petrov] You say that no part should remain untouched. From the military viewpoint, what influence might the "Albanian factor" have on the defense of Macedonia?

[Atanasovski] If the Albanians do not join the Macedonian Army, and if it is true that extensive numbers of them are going to foreign countries for secret military training, it will become obvious that the intent of that ethnic group is not the defense of Macedonia but something else. What is it? Is there any connection between our official and constitutionally accepted concept and theirs? Can the Republic of Macedonia allow this, and will it dare to do so? The answers to these questions are exceptionally crucial because of the need for consensus on defense, for without one, we are threatened with a fragmentary resolution of the problem, which would be fatal. That is precisely why I am saying that the strategy for defense must be universally accepted, as this is the only way we can formulate and resolve one of the main problems of defense.

[Petrov] To what extent could we rely on the international collective security systems if there should be aggression against the Republic?

[Atanasovski] In many cases, we are governed automatically by our declared policy of peace and dialogue, which emphasizes that Macedonia must also rely on the collective international defense and security systems. Actually, this is a very positive view, conceptually. Nevertheless, when we speak of this matter, we must remember that the international collective security and defense systems are so-called composite systems. They create combinations of and relations among forces that do not constitute an organic entity. Another crucial fact is that such international security mechanisms function on a preventive basis, using political and economic means, and in specific situations, even military means. All of this develops on the basis of a consensus. To reach such a consensus, any resolution must go through several decision-making stages. What is most important is that the military effect and force of this factor require a clear situation in which there is an aggressor and a victim. Such was the case, actually, with the war in the Gulf. The situation in the former Yugoslavia is radically different, and is not such as to make it possible to put that mechanism into operation, because it is a question here

of a so-called dirty war. In any case, it takes a long period of time to put the collective security and defense mechanism into operation.

If the Republic of Macedonia should find itself involved in a war, we would have to expect that a long period of time would pass before these systems could be put in motion. During that time, the Republic might be recognized as a military power and might function actively as a state and as an armed component. We could not benefit very greatly from these collective systems if were demolished as a state, or simply crushed. To the extent that we can wage a war and utilize other types of resistance, all of these things will continue to be used, above all, as a function of preventing aggression. That is precisely why we must be decisive and firm in opposing any kind and aspect of aggression.

Bulgaria's Role in Southern Front Scenario

93BA0276F Skopje PULS in Macedonian 19 Nov 92
p 14

[Article by Branko Trickovski: "Reaching the Target Without War"]

[Text] *Our eastern neighbor is keeping an apprehensive eye on the possibility that the war might spread through Kosovo into Macedonia, for that would mark the start of a new Balkan war that would inevitably involve Bulgaria.*

Bulgaria is keeping an apprehensive eye on the possibility that the war in the former Yugoslavia might spread through Kosovo into Macedonia, since in the view of that nation, this would mark the start of a new Balkan war from which Bulgaria could not stand aside. Bulgaria's president, Dr. Zhel'o Zhelev, and Minister of Foreign Affairs Stoyan Ganev have repeatedly expressed views of this sort. The latest incidents in Pristina and Skopje have been interpreted in the same light, although in his most recent statement, the head of the diplomatic service revealed more optimism, warning against viewing "the processes in Macedonia and the area apocalyptically."

Such apprehension is not merely declarative. It is supported by several arguments. First, Bulgaria would like to show Europe, by means of its foreign policy, that it is "constructive, stabilizing, and balanced" (Ganev), thus restoring some of its role, now totally lost, as a foreign policy factor, within the tightest possible regional framework. Second, it would like to pursue not only a principle-minded but also a practical policy "consistent with the realities," as the head of Bulgarian diplomacy has reiterated. This, in turn, brings several new factors into the situation.

Bulgaria would like to pursue a policy based on a realistic assessment of its position and power, as well as the position and power of the surrounding Balkan, European, and global factors on which the situation in the Balkans depends. It is working to heal the "historical

syndrome" that has led the country into several catastrophes. In no way does this "respect for realities" mean that the traditional Bulgarian interests in the Balkans have been forgotten or abandoned. On the contrary, it means only that adaptations have been made in terms of priorities and means of implementation. In its most critical aspect, the new doctrine cannot fail to take into consideration several other factors: the legacy of a poor internal rating, the catastrophic economic situation, the political pluralization, and the unsatisfactory state of the Armed Forces and the military-industrial complex, which is undergoing fundamental restructuring technologically, organizationally, and in terms of personnel.

Any spread of the war southward, and especially through Macedonia, would undermine the foundations of the new foreign policy doctrine. That is why the fact that Bulgaria seized the initiative on guaranteeing the Macedonian borders and Macedonia's integrity is no simple declarative matter. It is no accident that the question of the Bulgarian minority in Serbia has been raised now, thus exerting pressure on the regime in Belgrade. And, naturally, consideration of the issues related to any possibility, or the inevitability, of military intervention is no accident, precisely because of the divisions in the thinking about this issue throughout the world. To be specific, Bulgaria wants to be a part of a broad consensus on this matter, and to be confident that such intervention would be successful. This is the sense of the discussions with the Turkish Army and the statements and denials made about the possible use of the Turkish RPT [expansion unknown] on Bulgarian territory.

In the final analysis, Macedonia is the strategic point. No single political personality in Sofia can see any possibility of success for Bulgaria if it resorts to a military resolution and, in that connection, launches a "southern front." Bulgaria believes that in the effort to achieve its objectives in Macedonia (which have not changed, in essence), Macedonia itself will wish to be embraced by Mother Bulgaria. This will be achieved by providing some small aid to certain political forces in Macedonia, and by continuing and further broadening the contacts with a wide variety of circles and on the broadest range of levels. Those who stray will finally realize what the situation is. This would be a kind of Bulgarian "southern front." The worst possible error would be to abandon such a front. It must, on the contrary, encompass all areas, from the economic and political sectors to culture and the arts. And the belief is that there is no other way to make an assertion that is Macedonian, in the national and governmental sense. It is one that is particularly unacceptable from the point of view of the other side, with which we disagree but cannot eliminate, except on the basis of a much broader approach.

Serbia's Role in Southern Front Scenario

93BA0276E Skopje PULS in Macedonian 19 Nov 92
pp 13-14

[Article by Pance Zafirovski: "Political Irrationality"]

[Text] *The impression is that either circumstances developed more rapidly than the capability of the current Serbian authorities to define their more active position, or else priority was given to plans for a breakthrough to the West.*

The view that Serbia does not have its national policy concerning Macedonia entirely defined may seem incredible to the reader. However, it is easy to prove. All we need is a more or less crystallized mixture of ordinary political pragmatism with a thick coloring of the political irrationality of Slobodan Milosevic and the traditional understanding of the Serbian national interests in the reinterpretation of the famous SANU [Serbian Academy of Science and Art] memorandum. The impression is that either circumstances developed more rapidly than the capability of the current Serbian authorities to define their more active position, or else priority was given to plans for a breakthrough to the West, in order to unify the western Serbian lands as the first phase of the operation.

It was thus that in the minds of many analysts, not to mention the nationalists, Serbia could very easily be reconciled with the "Macedonian secession," seeing to it that not a drop of blood was shed and that no heated arguments accompanied the separation. Nonetheless, this damaged the country and demonstrated its total ignorance. Manifesting vengefulness, it refused to normalize the relations between the two states. Contrary to any rational need, whether economic or simply political or of a long-term strategic nature, Serbia turned a deaf ear to every initiative calling for the normalization of relations with Macedonia. This contributed substantially to the more rapid unraveling of the Yugoslav crisis.

It is not particularly difficult to understand the reasons for this behavior. The contribution made by the Greek obstruction of recognition of Macedonia, which has become a farce, is particularly obvious. Let us merely mention the proposed establishment of a Serbian-Greek confederation. The immediate impression was that all of these steps taken by the Serbian regime, whether openly or by means of surreptitious diplomatic actions, had no purpose other than to make friends with the Greeks because of the increasing isolation. Naturally, this was not a matter of pure love, but of shared interests, as well as a covert Byzantine view of politics.

Milosevic, among others, enjoying the support of Greece in blocking Macedonia, would like to buy time, awaiting the development of the kind of circumstances that would be propitious for the return of Macedonia within the boundaries of some kind of new governmental creation.

Meanwhile, there have been indications of late that the present Serbian policy regarding Macedonia is bound to be reviewed. The response to the latest developments pertaining to the activation of the so-called southern front in terms of internal policy will be reviewed within a broader context. The need for a fundamental review of

Serbian policy, both the pragmatic policy and that pertaining to national strategies, should lead to significant changes in the ideological and political structure of the post-communist society in Serbia.

There is a tangible strengthening of the political forces in Serbia. They are calling for the elimination of all of the consequences of the communists' rule and rejection of the entire legacy of "Comintern-Vatican Yugoslavia." And above all, the creation of unnatural nations made up of Macedonians, Montenegrins, and Muslims. In a Radio Belgrade broadcast last Saturday, Dr. Slavenko Terzic, the head of the SANU History Department, criticized the current regime harshly for its lack of readiness to reject the grave recurrences of the "darkest period in Serbian history" and to defend the national interests in Macedonia. This historian, who is also known to have volunteered for the Vucovar Operation, believes that Serbia has far more serious reasons for opposing recognition of Macedonian independence than Greece has. In this view, the recognition of an independent Macedonia would be only the first phase of its unification with Bulgaria (the same scenario was used in proclaiming the existence of Eastern Rumelia in the 19th century). Serbia and Greece will do everything possible to prevent this, Dr. Terzic said, because it would strengthen Bulgaria's strategic advantage, posing a mortal threat to those two countries. The message he broadcast on Radio Belgrade cannot be explained other than as a producer's mistake.

When the question of the ruling socialists arises, we must bear in mind that they insist on forgetting the whole of their communist past, and they are ready for all sorts of metamorphoses. However, it is hard to believe that they would go so far as to say that the Macedonians are not a separate ethnic entity, or even that they have not been recently. Setting aside the extreme right-wing nationalist and royalist parties, whose views on the Macedonian issue have long been crystal clear, the position adopted by the parties with a democratic and civil orientation is quite puzzling. Although they do not question the existence of Macedonia as a separate nation, they link recognition of Macedonia with the territorial claims (Kumanovo and Skopje Montenegro) and the resolution of the issue of its name, which must proceed recognition.

Greece's Role in Southern Front Scenario

93BA0276D Skopje PULS in Macedonian 19 Nov 92
p 13

[Article by Filip Jovanevski: "Mitsotakis's Kitchen"]

[Text] *In choosing between secret diplomacy and its military alternative, Greece prefers the milder formula — avoiding, until the very last moment, and even beyond that, making public what everyone knows.*

What else could Mitsotakis' kitchen produce? The consensus reached in answer to this key question is the conclusion that nothing new, or at least nothing spectacular, can be expected as we await the "decisive

moment." Nonetheless, first comes doubt, and then the digging. In the final analysis, what will happen if we are recognized? Will the Greeks shake our hand in conciliation or, will they continue with their blockades?

Once again, what is being used in Mitsotakis' diplomatic kitchen, as was the case in Papandreou's, which preceded it, is the old recipe, one that is both invisible and silent—avoiding, until the very last moment, and even beyond that, making public what everyone knows. This becomes even stranger when the idea persists that some kind of superstep will be taken tomorrow. But however carefully we may search, no such step exists. The options are before us. Mitsotakis, the "old fox," can find partners for some "secret games," and he can invent new games. However, approaching from a slightly different angle, one would notice a pattern of endless circles, or that the last round was just like the one before. But let us see, then, what the next round will bring!

And while the people are being threatened with new blockades under the same conditions as those that already exist, we are realizing that time is moving on, and Macedonia, despite the incredibly slow pace, is acquiring the attributes of its statehood, ceasing to be wild in nature, and discovering that many things will have to wait until recognition is finally achieved.

A similar situation prevails with the increasing fear of the consequences of recognition. The demagoguery is as follows: If we achieve recognition, war will break out! Therefore, we will be the winners if we are not recognized, for only thus can we preserve the peace. And this is the reason the military option has become quite topical of late. What dominates the profound debates we mentioned is the question of where the greatest military threat lies. In order to avoid such a discussion, let us attempt to make a comparison.

The history of diplomacy includes the case of one Ivan I Kalita, who was the grand duke of Moscow in the 14th Century. His policy could be reduced to one very simple formula—serve the Tatar khan as his obedient tool, while surreptitiously "wheedling" some of his power from him—in other words, working against the interests of his own subjects. To this end, he had to be as cowardly as possible and to make frequent trips to the so-called "golden horde" at the seat of the khan, who was, in turn, the subject of the great khan in Karakorum (something like the London-Geneva or Washington-New York connection). The financial formula was also similar. The wealth extracted by frightening others with the mere mention of the Tatars was used to pay a fee to the Tatars themselves, so they would allow him to be the tax collector. Hence his nickname, Kalita (money purse). He therefore used only money, and never the sword, in making his way. His method was perfected by one of his descendants, Ivan III, who added to it theatrical military behavior. He recruited a powerful army and constantly brandished his weapons (which he did not use), waiting for his opponent to be deposed in a state of despair, discouragement, and weakness as a result of his own

internal party struggles. He showed infinite patience, for example in the quarrel he sustained with Lithuania for about 30 years by promoting diplomatic intrigues, paralyzing his opponent, and increasing the number of his enemies.

Let those who think that any part of this comparison applies to our leadership feel shame. We will immediately deny it—we see these similarities in the attitude of the Greek leadership. To date it has been stubbornly utilizing the formulas we have described, even providing the Greek people themselves with spectacular disinformation, and developing a network of intrigues in diplomatic circles. We have even seen a theatrical military threat. Meanwhile, as happens in the theater, the curtains rise, and then it descends.

The story making the rounds has it that during the Greek military exercises, one unit accidentally entered one of our villages and halted to relax in the small coffee shop in the village. On the other hand, this may not be just a humorous story, if we take into consideration the "sudden" demand that UN peace forces be sent to Macedonia!

Joking aside, if they have decided to occupy us, our "reciprocal" attitude will provide them with sudden proof that they can. Actually, if our comparison is of any value, our view that this is not their method and that they will not use it remains valid. Furthermore, we must also add that conditions have changed somewhat, and the international community would find it hard to swallow such aggression. Furthermore, there something else: [several illegible words] according to the newspapers that Macedonia is theirs, and that they have assembled a force of bellicose adventurer-volunteers "tempered" in the war in Croatia and Bosnia-Herzegovina.

Serbian Strategy Against Kosovo, Macedonia

93BA0276C Skopje PULS in Macedonian 19 Nov 92
p 12

[Article by Skeljzon Maliki: "Military Domino"]

[Text] *Serbian troops can enter and remain in Kosovo, as well as in Macedonia, only as a classical occupation force, which will have to hold a territory by force, with a population that is quite hostile to the idea of remaining within the Serbian state.*

What direction will be followed by the Yugoslav military domino collapse after Slovenia, Croatia, and Bosnia? Must the dominoes continue to fall in the direction of Sandzak, Kosovo, and Macedonia, as the alarm sounded by world experts and politicians of late would have it? If this worst-case projection comes true, the military conflagration will follow the famous diagonal leading from Triglav to Gevgelija, the symbol of Tito's Yugoslavia.

However, in this domino metaphor, two major pieces—Serbia and Montenegro—have somehow been overlooked. The probable reason is that thus far, the war has

been conducted from Belgrade, and the Belgrade propaganda broadcasts have constantly indicated readiness to establish the so-called southern front. However, another reason is that Serbia did and still does enjoy tremendous military superiority over the other forces, for which reason the analysts believed everything but Serbia and Montenegro would be destroyed other unless foreign military intervention occurred.

I believe that this type of reasoning is too schematic and is based on a premise difficult to support—that a new war will be a continuation of the current one. Specifically, this premise is supported by the concept of a single plan for the creation of Greater Serbia, which is being implemented in stages. First comes the withdrawal of Slovenia from Yugoslavia, thus undermining the Yugoslav Federation, once and for all, and then the division and dissolution of Croatia. This is to be followed by the destruction and occupation of most of Bosnia and, finally, the attack on Sandzak, Kosovo, and Macedonia, so that those areas, as well, will be purged of non-Serbs and, in the final account, the southern Serbian borders will be defined.

However, there is a very important demarcation line in this case clearly separating the war in the northwestern region from any war that might be launched on the southern front. The present war, excluding the introductory Slovenian episode, is being waged mainly in areas in which the majority, or a significant percentage of the population, is Serbian, whereas a war on the southern front would be waged in areas that are not ethnically Serbian. The sum total of the Serbs living in Kosovo and in Macedonia (actually some 300,000, although Serbian propaganda claims more) accounts for about 3.5 percent of all of the Serbs living in the Balkans, whereas the Serbs in Bosnia and Croatia account for 30 percent of the population.

Actually, in waging this war, the Serbs are trying to guarantee, by force, the self-determination of the Serbs across the Sava, the Danube, and the Drina and, together with the purging of the Muslims and Croats, to ensure additional living space for them. The ethnic cleansing of devastated Bosnia and occupied Croatia is not the consequence, but the purpose, of that war.

Serbian forces can enter Kosovo and Macedonia and remain in those areas only as a classical occupation force, holding a territory by force that is inhabited by a population quite hostile to the idea of becoming part of the Serbian state. The Serbs in Macedonia and Kosovo cannot be expected to play the same role as that being played by the Serbs in the outlying areas or in Bosnia. It is simply that there are too few of them, and they live in small and isolated enclaves. The Serbs in Kosovo, based on a total military mobilization (all adult Serbs have weapons at home and, in addition to their jobs, undergo military training), would be used to maintain a system of overall national apartheid. But this would only be as a bridgehead, prior, it is claimed, to hasty colonization by Serbs, which has not in any way begun. It is indicative

that the Serbian authorities are not settling Kosovo with Serbs who are refugees from Croatia and Bosnia, but are sending such refugees to Vojvodina, Belgrade, and the Serbian interior. The only explanation for the failure to use the opportunity for sending several hundred thousand people rushing into Kosovo, on the pretext that they will be performing a humanitarian action, would be that Serbia is not interested at the present in making the situation in the South any worse, and that it may actually abandon the breach in the southern front.

In reality, this can be seen clearly in the example of Macedonia. Without such a premise, it would be difficult to understand why the former Yugoslav National Army, which, literally overnight, became the Serbian Army and a guerrilla army, withdrew from Macedonia without firing a single shot, and why has it not dared to make any decisive move in Kosovo. In other words, by involving itself in a long war in the West, Serbia has, in practical terms, strategically abandoned the South, Macedonia above all, and to a certain extent Kosovo, as well.

Matters are quite different when it comes to the issue of Sandzak, because it is located exactly between Serbia and Montenegro and separates them geographically, and that area is of essential importance to the Union Republic of Yugoslavia. Serbia has concentrated substantial troops around Sandzak, and the main objective of Serbian policy there is the destruction of the Muslims as a nation.

Things are somewhat different with regard to the Albanians and the Macedonians. It is unanimously agreed that a war in Kosovo or Macedonia would be the pretext for a major new Balkan war that would threaten the stability of Europe, and even, perhaps, of the world.

For that reason, it seems to me that a war in the southern part of the Balkans, although I do not exclude the possibility, is becoming increasingly less likely. The Serbian threats against Macedonia, like those of Greece, are of a more tactical and short-term nature. This makes it even more difficult to understand the acute deterioration of internal Macedonian-Albanian relations, for this would be the only way to cause the breakup of Macedonia from within and to create the need for so-called "fraternal aid." To this day, Macedonia is paying for the anti-Balkan policy of the 1980's, which served as a training ground for Serb politics. Macedonian cadres who were pro-Serbian wanted to create a deeper division between Macedonians and Albanians, so that Serbia would become the permanent tutor and defender of Macedonia. Today, however, these maneuvers have become entirely transparent, and Macedonian politicians should realize that the Albanians are an exceptionally important, if not a key, factor in the stability and the existence of Macedonia. It would be tragic for the Macedonian administration if it were to fail to realize that interethnic quarrels cannot be settled by barefaced repression. If anyone thought the use of harsh repressive measures would make the Macedonian State appear strong and decisive, he was greatly mistaken, for the

major incident in Skopje merely added to the weakness and vulnerability of a state ethnically divided into two blocs.

The only thing that will save Macedonians and Albanians (I also include us, in Kosovo) from the ruinous Lebanization and a fall from the precipice is a wise and patient policy. Macedonia and Kosovo will either be rescued from danger, or they will fall together. Particularly since the military dominoes have been tumbling, of late, in the direction of Serbia and Montenegro, where real and irreconcilable civil war camps have been established. The global sanctions can only hasten the Serbian finale to the Yugoslav crisis. We in the south must survive that storm, as well.

Danger to Macedonia From North Assessed

93BA0276B Skopje PULS in Macedonian 19 Nov 92
pp 10-11

[Article by Zoran Petrov: "The Threat Comes From the North"]

[Text] *World analysts give the possibility that Macedonia will be engulfed in the fire storm a "50-50" chance.*

As early as last May, the noted U.S. newspaper THE WASHINGTON POST made the first reference to the Republic of Macedonia in its military assessments of the Balkan situation as an area that could be affected by the hotbed of war being waged in Croatia and Bosnia-Herzegovina. A few days later, this was confirmed by CNN, when a noted American military analyst, who was discussing possible implications of the combat operations in the territory of former Yugoslavia, anticipated a 50-percent possibility of a war between Macedonia and Serbia, specifically on the subject of Kosovo. The "50-50" prognosis was also made by Robert Frovic, the chief of the Collective European Defense and Security System Mission in Macedonia, in a BBC interview at the end of September. Ever since then, a large number of newsmen and reports from abroad have been gathering in Skopje, in anticipation of a new Sarajevo there.

Actually, this is also consistent with the frequent statements about the inevitability of a military scenario in the southernmost former Yugoslav Republic published by the INDEPENDENT, THE FINANCIAL TIMES, THE NEW YORK TIMES, and other noted newspapers. They have most frequently quoted President Gligorov's statement to the effect that postponement of the broader international recognition of the country drastically strengthens the extremist forces within and outside of Macedonia.

Then came the events of 6 November. On that very morning, NOVA MAKEDONIJA had carried an extensive interview with General Mitre Arsovski, chief of the General Staff of the Army of the Republic of Macedonia, entitled "We Are Not Facing an Immediate Military Threat." The "immediate military threat" developed that same afternoon, with the grave incident at Skopje's

flea market. We know of the outcome: four dead and more than 20 people wounded and injured. On the following day, Sami Ibraimi, the deputy chairman of the PDP [Party for Democratic Prosperity], gave his now-familiar interview on Greek television, and one week after the flea-market incident, the "fiery knight," PDP Coordinator Muhamed Halili said in a discussion with representatives of the American Congress that the Albanians in Macedonia are not in favor of Macedonia's international recognition. Only one day later, the same thing was repeated by PDP Chairman Nevzat Halili on Tirana television. Recently, in his letter to Prime Minister Mitsotakis, Iljaz Halimi asked Greece to continue its policy of blocking the recognition of Macedonia!

Meanwhile, in commenting on the flea-market incident, Minister of Police Ljubomir Frckovski mentioned the great likelihood of a parallel action promoting the Serbian and Kosovo concept of destabilizing Macedonia. In his interview published in NOVA MAKEDONIJA on 13 November, retired General Todor Atanasovski, a member of the President of the Republic's Security Council, extensively analyzed the possible scenarios in which the Republic might be devastated by war. In many respects, his view was directly opposite to that expressed by the chief of the General Staff, to the effect that the only possibility in Macedonia was the internal spread of aggression, in which infiltrators would be encouraged from abroad. Atanasovski anticipated that the period preceding international recognition, in other words, between now and the end of the year, will be a critical time for the Republic's peace and security.

One thing on which all of the military analysts agree is that the danger will come from the north, from Kosovo, or in other words, that the "Albanian factor" will be decisive in terms of the peace, security, and in general, the situation in Macedonia. The reason is that despite the differences in the various assessments and forecasts concerning the Kosovo-Western Macedonia link, no single option excludes the involvement of the neighboring countries with their armed forces—to the extent, naturally, that confrontations or armed conflicts develop.

It is a fact that with its some 10,000 troops and officers and modest armaments potential, since it does not have a single airplane or armored unit, the Republic of Macedonia simply does not have an armed force equivalent to that of any one of our neighbors. The strongest argument in favor of its stability is believed by many people to be precisely the equality of the forces of the other nations. The reason is exceptionally simple: Anyone interested in waging war in Macedonia knows very well that, in the final analysis, he might end up holding the short end of the stick.

Macedonian Military Property, Real Estate

93BA0179A Skopje NOVA MAKEDONIJA
in Macedonian 29 Oct 92 p 3

[Article by Z. Petrov: "Enormously Interesting to the Private Businessman"]

[Text] *How the unused property of the ARM [Army of the Republic of Macedonia] is being used*

The majority of the buildings which are leased, are warehouses and stores outside of the barracks, or more specifically, this is a matter of around 150 buildings in 20 locations, with approximately 20,000 square meters of useful area

After the departure of the JNA [Yugoslav National Army] from the territory of the Republic of Macedonia, all military buildings and property of the Republic passed to the administration and use of the Ministry of Defense. Because of the very fact that the former army had an enormous amount of weapons and equipment at its disposal on the territory of Macedonia, which were located in numerous warehouses and stores, at one point the public acquired the impression that the bulk of this material, including around 15 barracks in the Republic, can be used for civilian needs, first of all in the area of the economy. The greatest interest was manifested toward the "Ilinden" barracks (formerly "Marshall Tito" barracks) in Skopje, where several enterprises made offers to lease certain buildings for warehouse space and it is known that there was an initiative to have the "Gotse Delchev" barracks in Skopje converted into a student residence. Likewise, there were initiatives for using part of the area of the military hospital, and the Army House in Skopje was a particularly interesting and attractive object for artists and small businessmen.

In the conversation with Colonel Boris Nikodinovski, head of the Building Service of the General Staff of the ARM, it was emphasized that, with respect to the fact that the ARM has far from the number of soldiers which the JNA had, as well as the fact that with the removal of the armaments and combat equipment, certain warehouses have become unused, it is normal that they be activated for other purposes. In the meantime Nikodinovski particularly emphasizes that the assumptions that certain barracks will be leased are inaccurate because with the arrival of the October class of soldiers all barracks in the Republic are filled with soldiers. As opposed to the time of the JNA, he says, when these buildings were literally overfilled (at certain times the JNA had around 25,000 soldiers in the Republic) now they have much better living and housing conditions, that is, now they have met the world standards according to which 4.6 square meters of area are allotted to each soldier.

According to Nikodinovski, the bulk of the buildings which are leased are warehouses and stores which are outside of the barracks. Or, more specifically, this is a matter of around 150 buildings in 20 locations or complexes with around 20,000 square meters of surface. The most characteristic examples for the use, that is leasing, of these buildings, are the complex of warehouses in the vicinity of the "Ilinden" barracks in Skopje, where the "Treska" furniture factory has moved part of its production facilities and warehouse complex from around 15 sheds in the Skopje village of Vizbegovo, which are

leased to several private businessmen for production activity. The average price, which in any event depends on the location and the degree of usefulness of the buildings, amounts to around 350 denars per square meter. The lease contains an important clause to the effect that, if the ARM needs them, these buildings will be returned to it. For these reasons, the head of the Building Service says, the contracts are of a temporary nature and are renewed every year.

Around a month ago, the newspapers announced a public competition for 98 buildings at 13 locations in Macedonia, and that which is particularly characteristic, according to Nikodinovski, was the enormous interest on the part of private businessmen for using the space for productive purposes. Boris Nikodinovski says that it is correct that there was interest in converting the "Botse Delchev" barracks to a student residence, but that was not feasible because it is necessary to locate the Military Academy of the Army of the Republic of Macedonia in these barracks. As our interlocutor stated, the funds which will be acquired from the leasing of the military buildings are restricted and will be used exclusively for maintaining the permanent military property. In conclusion, Col. Nikodinovski emphasized that, according to the plans and analyzes, the permanent fund of buildings is quite sufficient for the needs of the ARM so that there are no plans for building new buildings in the future except for some guard houses on the border with the Federal Republic of Yugoslavia.

Governor of Macedonian National Bank Interviewed

93ba0263A Skopje VECER in Macedonian 5 Nov 92
p 9

[Interview of National Bank of Macedonia Governor Borko Stanoevski by V. M. Bozinovska; place and date not given: "Inflation Fighting Guard Against Shock"]

[Text] The projection made as a function of support of government measures depends on holding inflation to the end of the year to 24 percent per month. Whether this will be accomplished does not depend exclusively on the monetary and credit policy but also on regular government evaluations and developments in the economy—no pressure will be applied to the bank, but its independence will be reduced by certain legal decisions that should be rescinded as soon as possible—an exchange market is to be established in March or April 1993—Unless there are violations, funds deriving from primary issue will be enough to satisfy projected needs.

According to its by-laws and the law on the NBM [National Bank of Macedonia], this bank is an independent issuing institution responsible for planning, implementation, and supervision of monetary and credit policy, stability of domestic currency, and payment liquidity in the country and abroad. We interviewed NBM governor Borko Stanoevski about current events associated with the work and operations of the Bank.

Devaluation of Independence

[VECER] How independent is the NBM in operation and up to the present has perceptible pressure been exerted by the government and parliament and by the political parties?

[Stanoevski] On the basis of the parameters assigned to it by the government for the anticipated economic policy, the Central Bank elaborates a projection of the goals and tasks of the monetary and credit policy that on our recommendation are submitted to the Assembly. This is the only connection with parliament and the government on the one hand and the Bank on the other in which the two authorities can exert their influence. But something that does in a way diminish the independence of this institution is represented by some of the provisions of the law relating to the purpose of issuing currency and the ability of the government and the republic to become indebted at the Bank, something that at a given period can disrupt the monetary and credit policy. I personally believe that in order to secure a higher degree of independence these provisions of the law should be rescinded. In other respects, we have thus far rigorously pursued the goals set and have been subjected to no pressure whatever by the political parties, highly placed directors, or individual ministries.

[VECER] How large is the total volume of primary issue and for what purpose will it be earmarked to the end of the year?

[Stanoevski] On the assumption that prices will rise 23 percent during the last 4 months, that the national product will decline 15 percent, and that the dinar exchange rate will remain at the projected level, as will also payments and other acquisitions, a model constructed of the possible volume of primary issue over the entire year of 1992 indicates 76.3 billion dinars. Of this amount, 42.5 billion have been set aside to cover the foreign exchange transactions of the NBM or to purchase foreign exchange to supplement the foreign exchange reserves of the Republic. Of this sum, 13.7 billion dinars had been spent by the end of September, with 28.8 billion remaining to the end of the year. Of the total primary issue, 33.8 billion dinars have been allocated to provide credit to banks and the economy and to improve liquidity. There now remain 22.6 billion dinars of this amount; these funds will be allocated to provide credit for stocks from the autumn harvest and for the autumn wheat planting. Unless there is violation of the assumptions on which the projection is based, these funds will be enough to meet the needs in question.

New Money Soon

[VECER] Currency coupons and Yugoslav currencies have been in use in Macedonia for 6 months now. When can we expect them to be replaced by real money?

[Stanoevski] According to the plans made, the existing money will remain in circulation until February of next

year, when new banknotes and coins with all the characteristics of real money will be placed in circulation. But even this will be a temporary solution, because in the interim bids will be invited for determination of the definitive appearance of our national currency. The new paper bills will be of much better quality than the existing ones, which have to be replaced every 4 months, while the real money will be replaced on the average every 1 to 2 years.

[VECER] What is the total volume of currency in circulation, and is there any tendency toward disruption of the ratio of cash to deposit money?

[Stanoevski] About 120 billion dinars are currently in circulation, 50 billion in cash and 70 billion in the form of deposit money. This ratio is continually disrupted, that is, the amount of cash increases by 5 to 6 billion dollars a month on the average. Consequently, it will be necessary to provide 63.8 billion dinars in cash in circulation to the end of the year in order that collections and disbursements may be made normally.

[VECER] In your opinion, will the recent steps taken by the government be able to keep inflation at the planned level or will we have another surge of inflation?

[Stanoevski] The projection we have made is based on the assumption that the government measures will be supported. That is, inflation is to be held at the level of 24 percent per month to the end of the year. But whether this is accomplished depends not just on the monetary and credit policy but also on correct government estimates of collections and pensions, the dinar exchange rate, production dynamics, and other elements of economic policy. However, if there are violations in these areas, we can expect a new surge of inflation.

[VECER] In connection with dinar rate of exchange, just how realistic is it and can relative changes among currencies on the world market cause fluctuation of the dinar's value?

[Stanoevski] The rate of 600 dinars to the mark is indeed realistic, and any other higher rate is a speculative one that yields someone a big profit. As regards the stability of this rate in relation to other currencies, in view of the

fact that the dinar is tied to a fixed currency basket, no currency fluctuations on the world market can affect the dinar.

[VECER] The real value of the rate should be set in the market. Is any consideration being given to the possibility that a legal currency market might be necessary in Macedonia?

[Stanoevski] Macedonia unquestionably needs a currency exchange and a new foreign exchange system, above all because their existence entails regulation of all foreign exchange transactions that will be effected through the banks, money changers, and the stock exchange. To this end the NBM will submit recommendations regarding amendments and additions to the provisions of law in the area of monetary and tax policy, and if everything goes according to plan the currency exchange should start operation in March or April of next year.

[VECER] Considering the situation in which the commercial banks find themselves, could these banks perform the payment transaction function in Macedonia that is customary throughout the world?

[Stanoevski] It would be wrong to say that they cannot. After all, they do effect payment transactions with foreign countries (the Economic Bank and the Bank of Commerce), and so there is no reason why they should not be able to do so in Macedonia. However, this is a technical question. It is my personal belief that as the years go by the SOK will engage in this activity successfully, but I do not know how much at this time we need experiments in this area.

[Box, p 9]

New Money

The new money to be put into circulation in February will contain as much as 70 percent cotton rather than the current 30 percent, and so paper money will be of higher quality. All the preparations have already been made; paper has been procured for production of bills, along with a copper, zinc, and nickel alloy for making coins. To be placed in circulation are 300 tons of metal money or 50 million coins (a single coin weighing 6 to 7 grams on the average), along with around 100 tons of paper money or 60 million bills in various denominations.

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